

Adlai C. Breustedt to be postmaster at Seguin, Tex., in place of A. P. Stautzenberger. Incumbent's commission expired May 16, 1934.

Jewell F. Cobb to be postmaster at Seminole, Tex., in place of T. F. Lindley. Incumbent's commission expired May 16, 1934.

Robert A. Meuth to be postmaster at Skidmore, Tex., in place of E. J. Spiekerman. Incumbent's commission expired January 8, 1933.

Tennie B. Colbert to be postmaster at Stamford, Tex., in place of W. T. Phillips. Incumbent's commission expired January 28, 1934.

Nena M. Iiams to be postmaster at Sugar Land, Tex., in place of N. M. Iiams. Incumbent's commission expired February 20, 1935.

Edgar H. McElroy to be postmaster at Waxahachie, Tex., in place of J. B. Graham. Incumbent's commission expired January 22, 1935.

UTAH

A. Clair Ford to be postmaster at Kanab, Utah, in place of J. S. Dalley. Incumbent's commission expired May 20, 1934.

Anna M. Long to be postmaster at Marysvale, Utah, in place of A. M. Long. Incumbent's commission expired March 22, 1934.

William Brooks to be postmaster at St. George, Utah, in place of Walter Cannon. Incumbent's commission expired April 3, 1934.

William Hason Hillyard to be postmaster at Smithfield, Utah, in place of J. E. Sheffer. Incumbent's commission expired May 20, 1934.

VERMONT

Charles R. Hazen to be postmaster at Chester Depot, Vt., in place of L. S. Richardson, deceased.

J. Clarence Nolin to be postmaster at Jericho, Vt., in place of G. H. Hutchinson. Incumbent's commission expired December 16, 1933.

Daniel F. Aher to be postmaster at Springfield, Vt., in place of E. F. Illingworth, transferred.

Daniel P. Healy to be postmaster at White River Junction, Vt., in place of C. W. Cameron. Incumbent's commission expired December 16, 1933.

VIRGINIA

Mary Drewry to be postmaster at Capron, Va., in place of E. E. Rawlings, deceased.

James D. Crawford to be postmaster at Keysville, Va., in place of G. H. Osborne. Incumbent's commission expired January 7, 1935.

Homo D. Gleason to be postmaster at Lovingson, Va., in place of H. D. Gleason. Incumbent's commission expired May 20, 1934.

Jessie S. Overby to be postmaster at Stanleytown, Va., in place of R. J. Stanley, resigned.

William T. Fosque to be postmaster at Wachapreague, Va., in place of G. F. Stiles, removed.

WASHINGTON

Fred E. Booth to be postmaster at Castle Rock, Wash., in place of J. A. Dean. Incumbent's commission expired May 7, 1934.

Edith M. Lindgren to be postmaster at Cosmopolis, Wash., in place of E. M. Lindgren. Incumbent's commission expired January 22, 1933.

Lonnie L. Grant to be postmaster at Langley, Wash., in place of W. J. Hunziker. Incumbent's commission expired May 29, 1934.

Leonard McCleary to be postmaster at McCleary, Wash., in place of Leonard McCleary. Incumbent's commission expired December 18, 1933.

Leon L. Stock to be postmaster at Marysville, Wash., in place of G. L. Deu Free. Incumbent's commission expired April 2, 1934.

Peyton B. Hoover to be postmaster at Rochester, Wash., in place of H. R. James. Incumbent's commission expired April 2, 1934.

Raymond M. Badger to be postmaster at Winthrop, Wash., in place of R. M. Badger. Incumbent's commission expired February 4, 1935.

WEST VIRGINIA

James T. Murphy to be postmaster at Grafton, W. Va., in place of Alphonse Leuthardt, removed.

Thomas J. Hamilton to be postmaster at Moundsville, W. Va., in place of T. S. Riggs. Incumbent's commission expired May 16, 1934.

WISCONSIN

George H. Kilb to be postmaster at Adell, Wis., in place of E. W. Guth. Incumbent's commission expired March 18, 1934.

Grant E. Denison to be postmaster at Carrollville, Wis., in place of G. E. Denison. Incumbent's commission expired January 22, 1935.

Joseph K. Hesselink to be postmaster at Cedar Grove, Wis., in place of H. W. Lemmenes. Incumbent's commission expired March 22, 1934.

Basil J. Faherty to be postmaster at Cuba City, Wis., in place of W. H. Goldthorpe. Incumbent's commission expired May 2, 1934.

Clarence L. Jordalen to be postmaster at Deerfield, Wis., in place of C. L. Jordalen. Incumbent's commission expired March 18, 1934.

Leonard J. Mulrooney to be postmaster at Fennimore, Wis., in place of B. B. Powers. Incumbent's commission expired June 4, 1934.

James D. Cook to be postmaster at Marinette, Wis., in place of E. W. LeRoy. Incumbent's commission expired February 20, 1933.

John Bichler to be postmaster at Port Washington, Wis., in place of H. F. Delles, removed.

Mae McCoy to be postmaster at Sparta, Wis., in place of J. H. Zehrte. Incumbent's commission expired April 22, 1934.

Carl C. Schlecht to be postmaster at Woodruff, Wis., in place of G. L. Johnson. Incumbent's commission expired January 8, 1934.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 8, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed Father in Heaven, as we wait in the noontide light of Thy holiness, we pray that sin in all its hideous forms may become revolting to us. Thou who bringest back the landscape from captivity, who causeth the dead things of earth to find themselves and who drivest the night away from the eyes of weary watchers, receive us as Thy children for the sake of Thine only begotten Son. Amid the discipline of life, fulfill in us all righteousness in what we do and say. Through striving and experience may the royal graces be positive and definite in our daily conduct. We pray, blessed Lord, to send upon us Thy richest gifts, giving culture to intellect, wisdom to imagination, and unselfishness to ambition. Grant that the particles of truth, the causes that break them up and make them fragmentary, may be brought together in substantial unity. Fortify us this day with those virtues that spring up under the arch of honor, faith, and submission. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On March 2, 1935:

H. R. 3982. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 4983. An act to authorize a transfer of forest reservation lands in Forrest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes; and

H. R. 5701. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near La Fayette, Ind.

On March 4, 1935:

H. R. 3373. An act for the relief of Anna S. Carrigan; and

H. J. Res. 140. Joint resolution to provide for the completion of the publication of the writings of George Washington.

On March 5, 1935:

H. R. 529. An act granting compensation to George S. Conway, Jr.

On March 6, 1935:

H. R. 3464. An act to amend certain sections of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, relating to descent and distribution.

On March 7, 1935:

H. J. Res. 94. Joint resolution providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor; and for other purposes.

CAROLYN S. BRENNEMAN

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 104 (Rept. No. 331)

Resolved, That there shall be paid out of the contingent fund of the House to Carolyn S. Breneman, daughter of Henry R. Breneman, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount, not to exceed \$250, to defray funeral expenses of the said Henry R. Breneman.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PHYLLIS HEIM

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 146 (Rept. No. 332)

Resolved, That there shall be paid out of the contingent fund of the House to Phyllis Heim, daughter of Eugene Heim, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount, not to exceed \$250, to defray funeral expenses of the said Eugene Heim.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CASIMIR PULASKI

Mr. TERRY. Mr. Speaker, there is a resolution pending in the House requesting the President to set aside October 11 as a memorial day for Count Pulaski, the Revolutionary War hero. I am filing today a resolution adopted by the General Assembly of the State of Arkansas calling upon Congress to pass the pending resolution.

I am particularly interested in this resolution because my home county, Pulaski, is named in honor of Count Pulaski, of Revolutionary fame.

THE UNEMPLOYMENT PROBLEM

Mr. NELSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein copy of an address delivered by Robert Fechner, Director of Emergency Conservation Work.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. NELSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Robert Fechner, Director Emergency Conservation Work, as delivered at the Forum, Mount Pleasant Congregational Church, Washington, D. C., February 3, 1935:

So much has been said and written about the problem of unemployment during the past 5 years that all phases of this serious feature of the depression must be quite well understood by our entire population. However, although the seriousness of the problem was fully understood, there was very little practical effort made to solve the problem during the first few years of the depression.

The interest of President Franklin D. Roosevelt in this problem was not a sudden one. During the 4 years that he had served as Governor of our most populous State he had daily seen the disastrous effects of a large number of the population being unemployed and had given long and serious thought as to what might be done to be helpful. He had also discussed the matter with a great many people and organizations who were likewise interested in it.

When the National Democratic Convention meeting in Chicago in the summer of 1932 tendered him the nomination for President, and he made his historic flight to Chicago to personally appear before the convention to accept the nomination and at the same time outline his program for meeting existing conditions, one of the most important features of his acceptance speech was that portion devoted to the need for finding work for idle hands. It was, therefore, not surprising when immediately after his inauguration in March of 1933, and the calling of the new Congress in a special session during that month the first message of the President, designed to inaugurate his recovery program, should have been directed toward relieving unemployment and accomplishing useful work. These two purposes have been firmly held by the President to be of equal importance. Emphasis has continually been placed on the fact that neither the dole nor charity was a desirable method of relieving unemployment, and so the President asked the new Congress to authorize the setting up of an agency to relieve unemployment and to accomplish useful work in fields that would not be competitive with private industry. Congress promptly granted the requested authorization and early in April 1933 the Emergency Conservation Work program was officially launched by the appointment of a Director and an Advisory Council representing the Department of Labor, the War Department, the Department of Agriculture, and the Department of the Interior.

A careful study had convinced those in authority that the group most urgently in need of help was that large army of young men who had arrived at working age, or who for various reasons had left our schools and colleges during the previous 5 years, and because of prevailing industrial and business conditions had found it impossible to secure any kind of employment. It was decided to enroll 250,000 young men between the ages of 18 and 25 coming from families who had been on public-welfare relief. The Labor Department was charged with the responsibility of selecting these enrollees. They promptly met the task, and it is a matter of record that never in the history of this Nation has such a large number of men been selected, enrolled, conditioned, equipped, and transported to their destination in such a brief period. By the end of June 1933 this vast army had been located in 1,468 camps scattered throughout all the States of the Nation.

After this quarter of a million juniors had been selected it was realized that something more was needed. These men were expected to accomplish useful work, but practically every one of them were totally inexperienced in the work that they would be called on to perform. It was therefore decided that an increment of 25,000 local experienced men would be added to the camps to serve as leaders to the inexperienced boys in their daily tasks. The wisdom of this arrangement was quickly demonstrated.

After the juniors had been placed in camps an insistent demand that our war veterans be given a part in the general program was agreed to by the President and 25,000 war veterans were enrolled. As an actual fact 28,000 war veterans were enrolled because 3,000 war veterans who had composed the so-called "bonus army" coming to Washington in the spring of 1933 were enrolled as a group. The war veterans were selected by the Veterans' Administration and this agency has continued to have complete supervision over the participation of war veterans in emergency conservation work. This made a total of 303,000 enrollees.

Attention was called to the desperate condition of many Indians on their western reservations and the President authorized the setting apart of sufficient funds to employ 14,000 Indians under practically the same conditions as other enrollees, although their supervision and direction was handled entirely by the Bureau of Indian Affairs.

The benefits of this work were also extended to Alaska, Puerto Rico, Hawaii, and the Virgin Islands, and about 5,000 individuals are engaged on conservation work under our general program in these island possessions.

The supervision of this great organization was a tremendous responsibility. Those in authority were convinced that there was only one agency available that could be called on to accept a responsibility for the health, safety, and welfare of the men in the camps. That agency was the Regular Army. The Army was therefore called upon to select and prepare the camp site to insure their proper location from a sanitary standpoint as well as availability of adequate water supply, to provide the shelter, subsistence, clothing, medical attention, and everything else that was so necessary for the well-ordered life of the men in the camps. The Army performed a signal service in completely meeting these onerous duties. As was to be expected, just as soon as it became known that the Army was to have a vital part in emergency conservation work there were numerous protests from individuals and organizations who were earnestly and patriotically striving to promote world peace

and a reduction in the crushing burden of military armament. Many sincere people feared that under the control of the Army military discipline and training would inevitably develop in the camps. President Roosevelt made his position very clear on this important point and the War Department likewise emphasized their participation as not having any militaristic meaning. After 2 years it can again be asserted that there has been nothing that would justify any suspicion that militarism has had the slightest part in the emergency conservation-work program.

It is proper to point out, however, that life in the camps has brought practically all of the benefits of ordinary military training to the enrollees; that is, they have been taught the vital importance of how to live together, of mutual cooperation, of personal cleanliness, of regular habits, and the physical work has built up their bodies so that the beneficial effects will be evident in succeeding generations. The Army deserves great credit for the splendid task that it has so efficiently performed. Equally important and equally effective has been the service rendered by the National Forest Service and the National Park Service and other cooperating Federal bureaus, together with the State organizations.

Conservation work, as applied to our natural resources, had been fully appreciated for many years past. The first Roosevelt directed public attention to the importance of conserving what was left of our national forests, to the prevention of soil erosion, and the curbing of our constantly recurring floods that caused so many disasters in various sections of the country. These Federal agencies had carried on their important work for years in the face of discouraging limitations, but always hoping that the time would come when a real adequate conservation program could be inaugurated. Plans had been prepared for this eventuality, and therefore when they were offered an opportunity for which they had dreamed they were, to some extent at least, prepared to take immediate advantage of it.

The saving of our growing trees was considered to be of the first importance; therefore, during the early period of emergency conservation work major attention was given to the building of truck trails, fire breaks, the extension of telephone lines, and other measures that experience had taught were necessary for preventing and controlling forest fires. The prevention and eradication of tree disease and pest infestation were likewise vitally important. The forest fires are so spectacular and do their damage so quickly that everyone can easily visualize how important it is that this greatest menace to our standing forests should be curbed. The destructiveness of tree disease and pest infestation is not so apparent nor so spectacular, but it is almost equally destructive. Just a few years ago a blight originating in other countries attacked and killed practically all of the chestnut trees in the entire eastern area of the United States. At the present time our beautiful elm trees are threatened with complete destruction because of the importation of a disease that gained a foothold a few years ago in the vicinity of New York and quickly spread to other areas. The pine beetle and gypsy moth are examples of pest infestation that have caused enormous damage.

Flood control and soil erosion are of almost equal importance in our conservation work. The removing of timber from our mountains and other areas has exposed the soil to washing from heavy rains that has caused billions of tons of fertile soil to be washed down into our stream beds and valleys.

Wildlife conservation is an important part of our general conservation program.

Last but not least are the recreational needs of the Nation. With increasing leisure time at the disposal of larger numbers of our citizens, it is a proper responsibility of the Federal Government, as well as the various States, that attractive and accessible recreational areas should be provided. The development of a great State system of parks to supplement our National Park System is not only desirable but urgently needed.

All of this vast program has been a part of the general plan on which the Civilian Conservation Corps camps have been engaged. No effort has been made to keep a balance sheet of this work. Even in these days, however, when we speak easily of millions and billions of dollars we hardly have any appreciation of what the figures really mean. The expenditure of more than \$500,000,000 is an important item, and our citizens have a right to know what return our Nation can expect from this expenditure. During the past 18 months of emergency conservation work we spent approximately \$550,000,000. In reports submitted by cooperating agencies we are informed that during the same period useful work, whose value could be measured in a fairly accurate way, had been accomplished to the amount of approximately \$291,000,000. In addition, approximately \$146,000,000 had been paid in cash allowances to the enrollees. Of this amount about \$130,000,000 had gone directly to the dependent families of the enrollees. In a great many cases this had meant the removal of the family from public-welfare relief, and in every case it meant that the locality or the State had been assisted in its tremendous burden of welfare relief by this expenditure of the Federal Government.

The effect on industry of these vast expenditures has also been significant. The average of \$150,000 is spent daily for food. Great quantities of clothing and shoes were necessary, trucks and passenger cars, ambulances and other automotive vehicles were bought in such quantities as to have a material effect on that industry and related lines.

In the construction of the camp buildings that were necessary to house the men, several hundred million feet of lumber were required. Great quantities of cots, mattresses, sheets, blankets, and all of the other things that are inevitably necessary in an organization of this character were bought. Even the item of transpor-

tation has been tremendous, and millions of dollars has been paid to railroads and bus companies for transporting enrollees from their homes to the camps and return.

While all this material result was important it is generally conceded that by far the most important result of emergency conservation work has been the effect on the enrollees themselves. Because of the very condition under which these men had lived prior to their enrollment in C. C. camps, it was not to be wondered at that they came to the camps in a discouraged, resentful, and many times a hopeless frame of mind. Under the sympathetic care of those in authority, they quickly responded to their new surroundings. Plain but wholesome food, comfortable sleeping quarters, regular hours, and the work which they were required to perform, quickly resulted in restoring these men to normal conditions.

During the first 18 months of this work approximately 850,000 enrollees were in the camps; some of them for a few months, but most of them staying the limit, which is permitted under the regulations.

The men are provided with an adequate program of recreation, including baseball, volley ball, football, boxing, wrestling, track athletics, and such like activities which they are encouraged to engage in under competent leadership during their leisure time. They are required to work 8 hours per day 5 days per week, which time includes transportation from the camp to the work project and return and the lunch hour.

The educational needs are not overlooked, although the very nature of the camps and their work make it difficult to carry on educational work in the usual sense of the term, nevertheless a serious effort has been made and reasonably satisfactory results have been accomplished to give those enrollees who are interested an opportunity to better fit themselves for a place in our business and industrial life when the opportunity comes to them.

The religious life of the men has not been neglected. An adequate number of full-time Army reserve chaplains serve the camps in providing religious work and services, and many thousands of local clergymen have also rendered invaluable service in supplementing the work of the regular chaplains.

When the camps were first being established there was great fear expressed by many localities that the presence of 200 men in a camp would prove a serious menace to the peace and safety of the community. The record clearly shows that these fears were entirely groundless. One of the things in which those who are responsible for emergency conservation work are most proud has been the personal conduct of the enrollees. Of course, there have been individual instances of wrongdoing. There have even been a few regrettable cases where a large group of enrollees have created a disturbance, but considering the whole record there can be no doubt that the men have conducted themselves in a most exemplary manner. They are welcomed in the homes and in the local activities in the vicinity of the camp, and they have appreciated the manner in which they have been received by the community.

In summing up the accomplishments of emergency conservation work it is felt that any unbiased investigation will sustain the claim that this has been one of the most useful activities in which our Federal Government is engaged, and it is confidently believed that its good work will continue for many years.

RIGHTS-OF-WAY TO THE GOLDEN GATE BRIDGE

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include at this point a joint resolution by the senate of the State of California relative to accepting amendments to permit from the Government of the United States for the construction of approach roads and toll areas over certain rights-of-way leading to the Golden Gate Bridge in the Presidio of San Francisco Military Reservation, and relating to the retrocession by the Congress of the United States of jurisdiction over said rights-of-way and toll areas as relocated.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The joint resolution is as follows:

SENATE,
LEGISLATIVE DEPARTMENT, STATE OF CALIFORNIA,
Sacramento, Calif., January 25, 1935.

To the President of the United States, the Vice President, the Secretary of War, the Speaker of the House of Representatives, and the Senators and Representatives of the State of California in Congress:

I am directed to inform you that the California Legislature on January 22, 1935, adopted the following:

California State Senate Joint Resolution 6

(By Senator McGovern)

Relative to accepting amendments to permit from the Government of the United States for the construction of approach roads and toll areas over certain rights-of-way leading to the Golden Gate Bridge in the Presidio of San Francisco Military Reservation, and relating to the retrocession by the Congress of the United States of jurisdiction over said rights-of-way and toll areas as relocated

Whereas on February 13, 1931, the Secretary of War pursuant to authority in him vested by section 6 of the act of Congress

approved July 5, 1884 (23 Stat. 104), granted to the Golden Gate Bridge and Highway District a right-of-way for the extension, maintenance, and operation of a State road across the Presidio of San Francisco Military Reservation, Calif., and across the Fort Baker Military Reservation, including space for toll booths and facilities for regulating traffic, and also the right to erect, operate, and maintain the ends of the Golden Gate Bridge with cable anchorages, upon the said military reservations; and

Whereas said grant has been accepted by the Golden Gate Bridge and Highway District and also by the Legislature of the State of California under the terms of Senate Joint Resolution No. 11 of the forty-ninth session of the Legislature of the State of California; and

Whereas the said permit and grant were amended by amendments dated April 1, 1931, May 1, 1933, and July 21, 1933, which said three amendments have been accepted by the Golden Gate Bridge and Highway District and approved and accepted by joint resolutions of the Legislature of the State of California; and

Whereas on the 19th day of March 1934 the Secretary of War did grant to the Golden Gate Bridge and Highway District a further modification of said permit as amended, and being a modification providing for the enlargement of the toll area theretofore granted under the original permit in the Presidio of San Francisco Military Reservation, which said amendment and modification of the date last mentioned is hereby expressly referred to; and

Whereas it was in said last-named modification and amendment expressly provided that the amendments and modifications therein contained should not become effective and the original permit of February 13, 1931, should remain unchanged thereby unless and until the said Golden Gate Bridge and Highway District should have accepted said amendment and unless and until the State of California should have, with respect to said amendment, taken the same formal action which it was required to take with respect to the original permit, and which is set forth in paragraph 11 and subparagraphs 11a, 11b, and 11c of that instrument, as a condition precedent to the taking effect thereof: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That said modification and amendment dated the 19th day of March 1934 to said permit dated February 13, 1931, as amended by amendments dated April 1, 1931, May 1, 1933, and July 21, 1933, granted by the Secretary of War to the Golden Gate Bridge and Highway District, be, and the same hereby is, together with each, all, every, and singular the terms, conditions, limitations, reservations, and requirements therein contained, accepted by and on behalf of the State of California; and be it further

Resolved, That the State of California does hereby make application to the Congress of the United States for a retrocession of jurisdiction over the rights-of-way and toll area as relocated and amended by said modification dated the 19th day of March 1934 in lieu of and superseding the application for retrocession of jurisdiction over the right-of-way heretofore granted across the Presidio of San Francisco Military Reservation in the original permit of February 13, 1931, in case said relocation of the right-of-way and toll area is finally granted to the Golden Gate Bridge and Highway District; and be it further

Resolved, That the State of California will, in case such retrocession of jurisdiction is granted by Congress, accept such retrocession of jurisdiction and will assume the responsibility of managing, controlling, policing, and regulating traffic thereon, all subject to the following limitations and to such other limitations as Congress may prescribe:

(a) That nothing in said permit contained shall be construed to give to the State of California or any of its agents authority at any time to regulate traffic of military personnel or vehicles upon the said bridge or roads. All traffic upon said roads and upon said bridge shall be free from any tolls, charges, or any form of obstruction by State or other agencies against military and naval personnel and their dependents, civilians of the Army and Navy traveling on Government business under military authority, and Government traffic.

(b) That whenever in the judgment of the Secretary of War or his authorized representative any emergency exists which justifies it, he may assume exclusive control and management of said bridge and roads and may then in his discretion prohibit, limit, or regulate traffic thereon.

(c) That nothing in said permit contained shall be construed to confer upon the State courts the right to try persons subject to military law for crimes or offenses committed on said roads or upon said bridge within the boundaries of the respective military reservations involved, but the courts of the United States or military tribunals as now or hereafter provided by law shall retain exclusive jurisdiction to try such persons for such offenses; be it further

Resolved, That the State of California does hereby agree to make such relocated right-of-way and toll area in the Presidio of San Francisco Military Reservation in said amended permit described a part of the system of public highways of the State; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the Secretary of War, to each House of Congress, and to the Senators and Representatives in Congress of the State of California.

GEORGE J. HATFIELD,
President of the Senate.
EDWARD CRAIG,
Speaker of the Assembly.

Attest:

J. A. BECK,
Secretary of the Senate.
ARTHUR A. OHNIMUS,
Chief Clerk of the Assembly.

STEPHEN A. DOUGLAS—THE DUTIES OF REPRESENTATIVES

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein two paragraphs from an address delivered 75 years ago by Stephen A. Douglas.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, while I do not approve of factious and purely partisan criticism of the Chief Executive and do not believe that a Member of Congress should oppose an administration measure for no better reason than that it is an administration measure, I deem even more mischievous the disposition that has so often been exhibited, to make the Congress a mere rubber stamp for the President, an echo of the voice from the White House. Especially reprehensible is the use of patronage and of threats of political reprisal to bend the Legislative to the Executive will.

As a member of the minority, I am not subject to the party whip, for I have no patronage to lose; but I am concerned, nevertheless, and the whole Nation is concerned, for when the party whip is used to force the adoption of legislation which the Congress, left to its own judgment, would not enact, or the rejection of measures of which it would otherwise approve, all the people suffer the consequences and parliamentary government suffers deterioration. So much did the founding fathers fear Executive interference, that they sharply delimited Executive power; their experience had taught them the danger of leaving too much authority in the hands of one man, and they sought to avoid the evils which in other lands had flowed from usurpation. Had they foreseen the subtle ways in which sovereignty may be wrested from a people, they undoubtedly would have provided even more effective safeguards.

I would call the attention of the Members of the House, and especially those of the majority, to an interesting page in our history. Stephen A. Douglas, a great Democrat, refused to accept the Lecompton constitution on the ground that forcing Kansas to enter the Union as a slave State violated the principle of popular sovereignty which he had enunciated. President Buchanan called upon the recalcitrant Senator to recant, threatening him with political extinction if he did not. No Member of Congress, declared Buchanan, had ever been successful in opposing a President of his own party. The Little Giant replied, "Mr. President, General Jackson is dead!"

The threat from the White House was carried into execution. Douglas was deprived of his patronage and removed from the chairmanship of the Committee on Territories. His appointees were dismissed from office; administration papers fiercely attacked him. Although he was about to make his celebrated campaign against Abraham Lincoln, the Senator from Illinois refused to weaken. Instead, he rose from his seat in the Senate and hurled this thunderbolt in the direction of the White House:

I do not recognize the right of the President or his Cabinet, no matter what my respect may be for them, to tell me my duty in the Senate Chamber. The President has his duty to perform under the Constitution, and he is responsible to his constituency. A Senator has his duty to perform under the Constitution, and, according to his oath, he is responsible to the sovereign State he represents as his constituency. A Member of the House of Representatives has his duties under the Constitution and his oath, and he is responsible to the people who elected him. The President has no more right to prescribe tests to Senators than Senators have to the President. Suppose we here should attempt to prescribe a test of faith to the President of the United States; would he not rebuke our impertinence and impudence as subversive of the fundamental principle of the Constitution? Would he not tell us that the Constitution and his oath and his conscience were his guides; that we must perform our duties and he would perform his, and let each be responsible to his own constituency?

Sir, when the time comes that the President of the United States can change the allegiance of the Senators from the States to himself, what becomes of the sovereignty of the States? When the time comes that a Senator is to account to the Executive and not to his State, whom does he represent? If the will of my State is one way and the will of the President the other, am I to be told that I must obey the Executive and betray my State, or else be branded as a traitor to the party and be hunted down by all the newspapers that share the patronage of the Government?

And is every man who holds a petty office in my State to have the question put to him, "Are you Douglas' enemy? If not, your head comes off." Why? "Because he is a recreant Senator; because he chooses to follow his judgment and his conscience, and to represent his State, instead of obeying my Executive behest." I should like to know what is the use of Congresses, what is the use of Senates and Houses of Representatives, when their highest duty is to obey the Executive in disregard of the wishes, rights, and honor of their constituents.

EXTENSION OF REMARKS

Mr. DEAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial appearing in one of the daily papers in my district on March 5 of this year paying tribute to the President and his recovery program.

Mr. RICH. Mr. Speaker, reserving the right to object, is that an editorial?

Mr. DEAN. A short editorial; yes.

Mr. RICH. Mr. Speaker, I object.

PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. CULLEN. Mr. Speaker, reserving the right to object, we are very anxious to dispose of the Home Owners' Loan Corporation bill at the earliest possible moment, and I regret to say that we have grown into a practice of granting unanimous consent to various Members to address the House after the business on the Speaker's desk is disposed of. I have no objection ordinarily to those requests, but we find ourselves in the very unhappy position of trying to pass legislation. The Home Owners' Loan Corporation bill is a very important bill and the country is awaiting our action. I was in the hope that the House could dispose of it today in a couple of hours if we devoted our full time and energy to the consideration of the bill; then following that if we have any time left we could bring up the "pink slip" bill. I do not think the Members ought to be making these requests, because in the final analysis it is interfering with the business of the House, and we have now arrived at a period when we are going to be pretty busy considering important legislation.

Mr. NICHOLS. The gentleman has taken more time than I would have taken.

Mr. CULLEN. I have no objection, if the gentleman will bear with me.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. STEAGALL. Mr. Speaker, reserving the right to object, I exceedingly regret that the situation is such that I must insist on going forward with the business at hand. This is something that I have never done as a Member of the House, but as chairman of the committee, I am forced to object to any further interference with pending business.

Mr. NICHOLS. I asked the gentleman for 5 minutes yesterday.

The SPEAKER. Objection is heard.

Under the previous order of the House, the Chair recognizes the gentleman from New Jersey [Mr. KENNEY] for 20 minutes.

A NATIONAL LOTTERY

Mr. KENNEY. Mr. Speaker, it is my privilege to urge upon this House the passage of a great emergency measure. There is important legislation to come up today, and I have been a proponent of home-owners loan legislation; but, in my opinion, the subject of my remarks is also extremely important to the people of our country.

I am not only advocating but I am urging the Membership of this House to take up and pass my bill providing for a national lottery. A national lottery was an issue in my last campaign—made so by the press at least—and returned here, I not only propose a national lottery but I press it. It is a great emergency measure and we have not yet lifted the emergency existing in this country.

I proposed a lottery bill at the last term of the Congress. An emergency existed then. Oh, I can remember the inaugural address of our great President and the call of the Congress to meet in a special session. The banks of the country were closed. Many Members of this House did not

have their transportation fare to the Capital to represent their congressional districts. They were obliged, in the emergency, to go through their districts, some of them, and take up a good, old-fashioned collection. It was partly by such means that our Congress assembled here early in March 1933. The efficacy of small contributions by our citizens was demonstrated.

When the Congress, went into session we passed the Economy Act. That was the measure that instilled confidence in the minds of the people of this country. It showed that we were bound to maintain the credit of the United States and were determined to do so. We decided to and did curtail the ordinary expenses of government. It is true that many were hurt and injured by the Economy Act, and most of all the veterans. They were again called upon by the country to make the greatest sacrifices. That act called for sacrifices, but it had the effect of establishing renewed faith in our Government. Soon the President and Congress realized that too much had been required from the veterans, and it was considered equitable that veterans' allowances reduced by the Economy Act should, so far as possible, be restored.

Relief measures were necessary of enactment in the general distress. The Congress necessarily had to appropriate large sums of money for extraordinary expenditures to carry out the program designed for the relief and economic recovery of our people.

While our expenses were mounting, revenue available from ordinary sources was limited. I was concerned about the situation. It occurred to me that while we were piling up a heavy national debt on one side of the ledger, some means should be found to raise up the Government income on the other side without resorting to further taxation, which the membership of this House will properly agree has become as great a burden as our taxpayers can stand. So I began to look into history a little bit. I had heard so many Members refer on the floor to our forefathers, to the wisdom of the founders of this Republic, and I went to the history books. As a result I came to the conclusion that the lottery was the most ready and effective means of raising revenue in an emergency. Small contributions from our citizens had, in the past, done wonders and were available to the Government in the great national crisis.

First of all it appeared that up to the year 1833, in Pennsylvania alone, 98 lotteries were conducted for the benefit of churches. Twenty-three were Presbyterian, 22 Lutheran, 20 Episcopal, 11 Reform, 5 Calvinist, 3 Roman Catholic, 2 Hebrew, 1 Baptist, and 1 Universalist. Ten of the lotteries were erected for the combined benefit of different denominations.

Many schools and colleges were also beneficiaries of the lottery. It pulled many of them through trying times. And then I came to the way the great Washington met a crisis—and it cannot be gainsaid that he had to deal with emergencies.

When money was scarce and hard to get, the Father of our Country, than whom no greater American has arisen, George Washington, in his wisdom and prudence, resorted to the lottery as a means of raising revenue for the public good.

Washington, on one occasion, was interested in the building of a great military road and to raise the needed money sponsored the Mountain Road Lottery. Here in this House of Representatives at this moment is a reproduction of a ticket used in the lottery signed "G. Washington", the original of which is on file in the Congressional Library, and at this point, Mr. Speaker, I ask unanimous consent to print the ticket in the RECORD, insofar as it may conform to the rules of the House.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The matter referred to is as follows:

Number 191; 1768. This ticket [no. 191] shall entitle the possessor to whatever prize may happen to be drawn against its number in the Mountain Road Lottery.

G. WASHINGTON.

Mr. KENNEY. I wondered too, what Washington did during the Revolutionary War, when funds were low and

insufficient from ordinary sources to carry on the war, and I found from the Journal of the Continental Congress this provision:

Congress took into consideration the report of the Committee on Ways and Means of supplying the Treasury.

This is from the journal of Friday, November 1, 1776:

Resolved, That a sum of money be raised by way of a lottery for defraying the expenses of the next campaign, the lottery to be drawn in the city of Philadelphia.

I have read this, Mr. Speaker, because if I told this to the House, perhaps it would not be believed, for I have heard some Members here say they did not know anything about a lottery.

Again I wondered how Washington convened the Congress of the United States at the first session under the Constitution. By a little research work I discovered that the First Congress had no appropriate place to meet after our independence had been won, and the City of New York invited the Congress to assemble in its City Hall to enact laws for the Nation. Congress accepted the hospitality of New York and met there for the first time.

It involved the outlay of a large amount of money for it was necessary to alter and repair the building and a large deficit existed.

The city of New York could not raise the necessary money from ordinary sources so its officials went to the legislature of the State, for permission to raise the funds to make up the deficit by means of a lottery. Permission was granted, the lottery was had and the city paid its bill.

Again, lest the membership have any doubt I shall read the preamble to chapter 8 of the Laws of the State of New York, in the year 1790. This is the preamble:

Whereas the mayor, aldermen, and commonalty of the city of New York by their petition have represented to the legislature that from a desire to accommodate the Congress of the United States in the most convenient and satisfactory manner they have not only expended in repairing and improving the City Hall such money as has been heretofore raised for this purpose, but are also indebted in the farther sum of 13,000 pounds on this account, a sum far beyond their power to discharge without legislative aid and have prayed that a law might be passed to authorize the raising the said money by one or more lotteries.

Congress later authorized a lottery and there is precedent for such a measure.

When the city of Washington, now the District of Columbia, was being built Congress authorized a lottery for the purpose of supplying the funds for the erection of public buildings.

I happened to come into possession of what I believe is the only lottery ticket issued under the act of Congress now extant, and I should like to invite your attention particularly to this ticket.

The lottery ticket bears on its face the eagle, the same insignia found on money of the United States, and in a scroll from the eagle's mouth are engraved the words "National Lottery."

And down here [indicating on ticket] in the left-hand corner you observe the words "By authority of Congress."

That means this Congress, the Congress of the United States.

This particular lottery was conducted for the purpose of erecting two public-school houses, a penitentiary, and a town hall in the District.

Mr. Speaker, I ask leave to extend my remarks by inserting the ticket in the RECORD so far as it may comply with the rules of the House.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to follows:

Sixth Class NATIONAL LOTTERY		
\$40,000	NO. 1093	Highest prize
	1 Prize of \$40,000	
	1 _____ 15,000	
	2 _____ 10,000	
	2 _____ 5,000	
	100 _____ 1,000	
	20 _____ 500	
	10 _____ 100	
	8,000 _____ 13	

This ticket will entitle the possessor to such prize as may be drawn to its number, if demanded within 12 months after the completion of the drawing: Subject to a deduction of 15 percent. Payable 60 days after the drawing is finished.

WASHINGTON CITY, September 1822.

By authority of Congress.

T. H. GILLISS, Manager.

For erecting two public-school houses, a penitentiary, and town hall.

Mr. KENNEY. Today an emergency still exists, and I should like to read you an excerpt from an editorial appearing in the February issue of *National Republic*, a magazine of fundamental Americanism:

That a real emergency now exists in the United States, no one can deny. What was painted as one in March 1933 is only a mirage compared to what actually exists today.

In any case, we are confronted with the task of providing more and more funds for the National Treasury, and the point has been reached where we must have additional revenue to meet the ever-growing expenditures. We cannot continue to impose tax upon tax upon the already overburdened taxpayer, and all borrowing must be repaid; if not by us, then by our children, or our children's children.

There is more need now for a lottery than there was a year ago. We have coming here a program of legislation providing for old-age pensions, job insurance, and social security. Then there is the work-relief bill, and coming in very soon the bonus bill. All of these measures combined call for an immense outlay. Our intake should be increased, and can be, and in no way as satisfactorily as by means of a national lottery.

Now, every Member of this House, in my opinion, would like to have the soldiers paid their adjusted-service certificates. If there is any opposition, it is from an angle other than the merit of the case. The bill will come in here next week, but, mind you, we are warned that the President of the United States is going to veto it, and we are also put on notice that the Senate is going to chew it up after we get through with it.

The bill may meet with difficulties which can be avoided. Funds are available for payment of the bonus and for reducing the national debt. If tapped by taking up and passing my lottery bill, there will be no justification for the Senate interfering or for the President of the United States vetoing the bonus bill. I know that the President of the United States is too great an American not to let a bill go through this Congress for a national lottery, and with it we would have a bonus bill that would please everyone, not only the soldiers but the business men of the country, the chambers of commerce, even the National Economy League, which concerns itself not with how you raise the money but the way in which you spend it. Everyone would be pleased, the Nation would be enthused and thrilled.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. KENNEY. Yes.

Mr. BOYLAN. May I ask the gentleman to give the House an idea in his opinion of how much money a year we could raise by his proposed lottery?

Mr. KENNEY. I am glad the gentleman inquired as to that. Mr. Donnelly, Assistant Solicitor of the Post Office Department, on August 23, 1932, said:

During the past 2 years not less than a billion dollars have been kept from going out of this country in support of foreign lotteries.

That comes from the Post Office Department, and you will recognize that the years referred to were probably the leanest in the history of the country. Pasted on this sheet which I have here [indicating on sheet foreign lottery tickets] you will see lottery tickets from 30 different countries. It is said that we will not loan any more money to Europe, but we give the countries over there our money by patronizing their lotteries. We are sending money there in large amounts, estimated to be anywhere from two hundred million to five hundred million dollars each year, and, again, according to Mr. Donnelly, half a billion dollars a year is kept from going out of the country. Here is a ready fund to come to the assistance of the Government, a fund which would very likely grow to \$1,000,000,000 a year.

Let me read now an excerpt from a letter I received from Mabel Smith, of Phoenix, Ariz. She approves of a lottery and says:

First, this kind of tax is voluntary. None needs to buy a coupon who does not desire to. Therefore the curse of direct compulsory taxes is missing. This will appeal to the wealthy income taxpayer. Secondly, this will bring in a large flood of money from those who never paid any income or real-estate taxes and this will mightily please the wealthy class and the Economy League. This money from nontaxpayers will be spent in gambling in some form regardless and nearly all of which is dishonest and the player getting an impossibly small chance, if any.

I find in this section many people who are steadily and quietly taking foreign coupons, etc. I also find that those who do not gamble, and this includes the writer, would satisfy a normal appetite to take a chance if we could save our conscience in so doing and doing so in front of our children. To know absolutely that the thing was 100-percent honest would be the next thing I would have to be sure of, and again this would be an absolute fact.

We have done much to protect our people in their investments. We undertook to do this by passing the stock-exchange bill. Other legislation has come before Congress with the same purpose in mind; but we have done nothing to help our people invest in honest lottery tickets. Oh, yes; we have prohibited, but we have not prevented. Lottery tickets, foreign and domestic, are sold in every section of the country. Foreign tickets, yes, and fraudulent lottery tickets operated by dishonest individuals throughout this country. It was shocking the other day to learn that in the city of New York, in the Bronx alone, millions of dollars a year are paid into the lotteries of a private individual.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. KENNEY. Yes.

Mr. YOUNG. Henry Fielding, a great English author of the eighteenth century, wrote:

A lottery is a taxation on all the fools in creation.

Does not the gentleman believe that a lottery is simply another scheme to soak the poor, that the rich people would not buy lottery tickets, but that the poor people would buy them and pay the taxes?

Mr. KENNEY. The poor people pay for everything, whether lottery tickets or anything else. The gentleman will find today that the poor people on relief are the ones who in normal times sustain this country. If the poor were employed and were able to expend their money for lottery tickets or anything else, the gentleman would find the wheels of industry in this country spinning around. It is only when the poor, who build up our institutions by their nickels and dimes, quarters and dollars, are contributing their money and putting it in circulation that things are going on normally. The lottery of the Government would not be compelled to seek new buyers of tickets to yield vast revenues. Our people everywhere are spending money on lotteries, most of which goes to undesirables or out of the country.

The SPEAKER. The time of the gentleman from New Jersey has expired.

Mr. MERRITT of New York. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. MERRITT of New York. Mr. Speaker, will the gentleman yield?

Mr. KENNEY. Yes.

Mr. MERRITT of New York. Will the gentleman tell me what percentage of the population of the United States have been buying these lottery tickets in the past 2 years?

Mr. KENNEY. Judging from my contacts and information fully 95 percent of the people buy lottery tickets of one kind or another, many of which are fraudulent. Our people are being mulcted by racketeers in fraudulent domestic and foreign lotteries and the foreign lotteries conducted by or under the auspices of other governments are being supported in large part by our citizens who are prevented from participating in an honest and lawful lottery in this country.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. BOYLAN. Before the gentleman concludes, would he be good enough to submit copies of these lottery tickets? One I notice is for \$40,000, capital prize, and if you add the numerals of the number on that ticket, it amounts to 13—1 plus 9 plus 3. I should like the gentleman to tell the House whether or not that ticket won the prize.

Mr. KENNEY. That ticket won the prize. [Laughter and applause.] We are here to do rescue work. Let us pass the lottery bill.

The SPEAKER. The time of the gentleman from New Jersey has again expired.

SOPHIE DE SOTA

The SPEAKER laid before the House the following message from the President, which was read by the Clerk:

To the House of Representatives:

In compliance with the request contained in the resolution of the House of Representatives (the Senate concurring) of March 6, 1935, I return herewith H. R. 330, entitled "An act for the relief of Sophie de Sota."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 6, 1935.

Mr. RUDD. Mr. Speaker, I ask unanimous consent for the immediate consideration of a concurrent resolution, which I send to the desk.

The Clerk read as follows:

House Concurrent Resolution 16

Resolved by the House of Representatives (the Senate concurring), That the action of the Speaker of the House of Representatives and of the President of the Senate in signing the enrolled bill (H. R. 330), entitled "An act for the relief of Sophie de Sota", be rescinded, and that in the reenrollment of the said bill the Clerk of the House of Representatives be, and he is hereby, authorized and directed to make the following correction, namely: Strike out the words "de Sota" wherever they appear in said bill and title and insert in lieu thereof the words "de Soto."

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. RUDD]?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL HOME-MORTGAGE RELIEF

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6021, with Mr. CELLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Federal Home Loan Bank Act, as amended, is amended by striking out the word "three" from the fifth line of paragraph (6) of section 2 thereof, and inserting in lieu thereof the word "four."

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: Page 1, after line 6, insert a new section to read as follows:

"Sec. 2. That section 2 (c) of the Home Owners' Loan Act of 1933 as amended, is amended to read as follows:

"(c) The term 'home mortgage' means a first mortgage on real estate, consisting, in the case of rural or suburban property, of not more than 20 acres, in fee simple or on a leasehold (1) under a lease for not less than 99 years which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date mortgage was executed, upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding \$20,000; and the term 'first mortgage' includes such

classes of first liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby."

Mr. MARTIN of Colorado. Mr. Chairman, I can explain this proposed amendment very briefly. It is simply an amendment to qualify what are called suburban tracts for home loans. It is taken from a bill introduced by me and presented to the Committee on Banking and Currency.

It may not be generally known, but there is a twilight zone in the administration of the home-loan and farm-loan laws, between 2 acres and 20 acres, which are not qualified for either loan. If a tract of land consists of less than 20 acres, it is not considered a farm unit and it is not eligible for a farm loan. If it contains more than 2 acres, the excess above the 2 acres is not considered in the appraisal of the property, no matter what it may be worth. Now, it operates in this way: Suppose a man owns a suburban tract of land consisting of 10 acres. If he wants to refinance it with a home loan, the Home Loan Corporation, as I understand, and I have had some practical experience in this matter, would appraise the home, that is, the house or the residence; it would appraise the garage, it would appraise those improvements which are commonly appurtenant to the home, and 2 acres of ground, and that is all. The other 8 acres would be disregarded no matter how it was improved or what it was worth. If it were improved with an orchard or anything else it would be disregarded. The result would be that the appraisal would not be sufficient to refinance the encumbrance against the property.

I made inquiry, for instance, in my home county, and I was told that there were about 500 suburban tracts which fall within this category or twilight zone. If that were carried out over the State of Colorado, it would amount to perhaps 5,000 such tracts. Nationally it would amount to three or four or five hundred thousand such tracts. I have been told there are hundreds and hundreds of those tracts all around the District of Columbia. They are around every city or town in the country. So I am not presenting anything to you at all that is peculiar to my home town or my home county. There are suburban tracts in every county and around every town in the United States that cannot qualify for either a farm loan or a home loan.

I yield to the gentleman from Georgia.

Mr. COX. I was wondering if the gentleman was not in error in stating that the Home Loan Board had put out a regulation under which land in excess of 2 acres could not be appraised as part of the security for a home loan. Is not the gentleman in error about that?

Mr. MARTIN of Colorado. This amendment was drafted by the legislative counsel, but it was sent to me by the most able home-loan attorney in the State of Colorado. It was based on facts within our common knowledge. This regional home-loan attorney drafted the amendment and sent it down to me. He had turned down these suburban-tract applications because they were not authorized to consider, for purposes of appraisal and valuation, any land surrounding a home, or on which it was located, in excess of 2 acres.

Mr. Chairman, I want it understood that in seeking this amendment I am not criticizing the administration of the home-loan law. I know personally of cases in which I think there have been inequities and injustices, but on the whole I believe it has been of great benefit to the home owners of the country. Speaking for my own State, it has loaned something like \$20,000,000 since the passage of the act in June 1933—\$20,000,000 advanced to home owners who could not have gotten a dollar from any other source. It has been well managed. I have heard no hint of graft or scandal. I am quite sure that such a management would not favor such an amendment as I offer if there were not a real need for it. I am strongly in favor of increasing the capitalization of the Corporation to \$4,750,000,000, as will be proposed by the committee, but the law ought to be clarified or made definite so that these suburban-home tracts are made eligible for loan relief.

Mr. COX. I think the gentleman is in error, because, as I understand the regulations, there is no such regulation imposed by the Board. In other words, if a home should be upon a tract of 100 acres it would still be a home.

Mr. MARTIN of Colorado. Mr. Chairman, I will say to the gentleman that there is nothing definite about this in the law at all. The law is silent. Home acreage is not mentioned in the law. The amendment which would clear up this question at least could not harm anything. They are not doing it now. They are not appraising anything above 2 acres. I do not see any harm in the amendment if the law now permits the loan as the gentleman contends. It would be of great benefit to the owners of thousands and thousands of these suburban tracts all over the country by qualifying these tracts for home loans.

I want to say right now that I hope the House will strike out any limitations of time from the operation of the provision granting the new appropriation. The Home Owners' Loan Corporation did not need any authority from Congress to shut off new applications the 15th of last November. They did not need any authority of Congress to shut off four or five hundred thousand applications, some of which had been pending for a year or more, simply because they had not gotten into the hands of the legal department. They were cut off by an order from the Home Owners' Loan Corporation. If this \$1,500,000,000 becomes exhausted, they can again cut off applications in the same way. I hope the Members will support my amendment.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute to call attention to the specific language of my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. My amendment, as read, seems to be quite a lengthy one, but all it does is to reenact paragraph (c) of section 2 of the Home Loan Act just as it exists right now, except that it inserts these words:

Consisting, in the case of rural or suburban property, of not more than 20 acres.

This is all the change it makes. I think the chairman of the committee knows that all the change my amendment makes in existing law is in the definition of the term "home mortgage"; where it says "the term 'home mortgage' means a first mortgage on real estate in fee simple", then I add these words:

Consisting, in the case of rural or suburban property, of not more than 20 acres.

Otherwise it is the law as it exists right now. As I say, the only change my amendment makes in this law is to qualify hundreds of thousands of these suburban tracts for home loans.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, the last statement of the gentleman would seem sufficient to cause very serious consideration of this amendment before its adoption. The total number of applications for loans that have been granted by the Home Owners' Loan Corporation down to this time, or the beginning of this year, amounted to only 800,000. We are told that if this amendment is adopted there will be hundreds of thousands of applicants under the new provision.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MARTIN of Colorado. I said there were hundreds of thousands of such tracts. Of course, I cannot tell what percentage of the owners of such tracts would want to take advantage of the Home Loan Act.

Mr. STEAGALL. If we are to assume that the cases are as numerous and as meritorious as the gentleman has indicated, it would necessitate reconsideration and complete revamping of this legislation. This bill has been worked out upon a basis of the rules, regulations, and provisions of the

law as they have obtained down to this time, and if we open up the Corporation to applications of the type provided for in this amendment, it would be necessary to establish large additional funds to take care of the new applications.

I am not aware that any arbitrary rule has been fixed setting a limit to the acreage surrounding a suburban home that might be considered in the valuation basis for loans by the Home Owners' Loan Corporation; but, in any event, this provision, if adopted, would make it possible for applicants to utilize farm lands and their values as distinguished from a home and its appurtenances used for the purpose of a domicile and the shelter of a family. It would invite loans upon a new basis foreign to the purpose of the law and foreign to the uses contemplated of funds appropriated. It seems to me that it would be susceptible of grave abuse. Farm lands are provided for already by legislation now in existence.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. JOHNSON of Oklahoma. If the H. O. L. C. had not adopted and carried out a policy of lending so much money to the large insurance companies and to the great building-and-loan associations rather than to the distressed home owners, does not the gentleman feel it would now have sufficient money to take care of just such cases as the gentleman from Colorado has in mind in offering the pending amendment?

Mr. STEAGALL. The gentleman, of course, invites me into a discussion that is not quite pertinent to the amendment under consideration.

He directs my attention to the general policy of the Board in administering funds provided by the Home Owners' Loan Corporation. This matter has been discussed at length in general debate, and I thought it had been made clear that the granting of applications by the Home Owners' Loan Corporation Board has been done with consideration directed to the distressed home owner, and only in very limited and rare cases were loans granted in the case of institutions for the relief of general conditions.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. COX. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Georgia.

Mr. COX. Mr. Chairman, I should like to call the attention of the gentleman to the fact that a joint committee has been set up by the Farm Credit Administration and the Home Owners' Loan Corporation, which deals with just such cases as are aimed at in the amendment offered by the gentleman from Colorado to the bill. It has been stated to me by Mr. Fahey, Chairman of the Home Owners' Loan Corporation, that there are no cases which cannot be handled under these regulations.

Mr. STEAGALL. There is no question that they will be taken care of in one of the two systems, either by farm-loan agencies or by the Home Owners' Loan Corporation.

Mr. MARTIN of Colorado. They are not taken care of.

Mr. COX. There is admitted to be a weakness in the farm-credit law, and it is understood to ask Congress at the present session for an amendment whereby no such complaint as is made by the gentleman from Colorado will arise.

Mr. STEAGALL. May I say that I do not mean to deny any statement of fact which the gentleman from Colorado makes. I undertake to say that the law at present provides for taking care of such applications in one system or the other.

Mr. MARTIN of Colorado. But neither system takes care of them and will not take care of them unless the law is amended.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. MARTIN of Colorado) there were—ayes 45, noes 58.

So the amendment was rejected.

Mr. THOMASON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. THOMASON: On page 1, line 6, strike out the word "four" and insert in lieu thereof the word "eight."

Mr. THOMASON. Mr. Chairman, Congress has taken care of nearly every class of distressed debtors except the owners of small apartment houses. I should like to say a word for the owners of small apartment houses all over the country.

The Farm Credit Administration has loaned millions on the farms and ranches in every State of the Union. The H. O. L. C. has done a fine work, in my opinion, in connection with the loans on residences, and the R. F. C. has been looking after the industrial loans. But I undertake to say there is not a Member of this House who does not have some people in his district, especially if he comes from a small town or city, who does not have some fine people who own apartment houses and cannot get their mortgages refinanced anywhere. I know in my own city of El Paso many worthy people, including railroad men, widows, veterans, people who perhaps went to the Southwest for their health, who had a few thousand dollars they did not know what to do with, and they bought a piece of land in a desirable section of the city or near some good school or railroad shops or something of that sort, and built a small apartment house costing some \$30,000 or \$40,000. I want it understood I am not speaking for the big hotels or the big apartment houses in the large cities or on behalf of promoters or sellers of wild-cat stocks. I am speaking in behalf of the little man who put his life savings in one of these small apartment houses and he, his wife, and his children, if he has any, are living in one of the apartments. The property is their homestead, and the only one they have. It is the only home they have. They had hoped the rents from the apartment would not only pay off the debt they owed but would also provide them with something to live on in their old age.

Mr. Chairman, I have personal knowledge of the situation in my own city. They have tried in vain to get their debts refinanced anywhere. Private mortgage, as well as building-and-loan companies, have turned them down. Government agencies say they are ineligible. Now, what damage or harm can come, if it is in truth a homestead and the security is ample? A little man has put his savings into that kind of property—perhaps twenty, thirty, or forty thousand dollars, and now is being foreclosed upon. I say he is entitled to relief. I have tried every one of these agencies, and you cannot get a loan of this kind. Such an individual is not eligible in any other class of legislation that we have passed.

Mr. RANDOLPH. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I am in agreement with the gentleman, and for this further reason: When we do not give that class of people relief we place a penalty upon them.

Mr. THOMASON. You not only do that, but there is no agency to which they can apply. If it is good for the property owner who has three or four families in his apartments, why is it not good for an apartment house with eight families? I should like to make it 12 or 20, if it is some good citizen who has put his life savings into that kind of property.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. FITZPATRICK. If the amendment offered by the gentleman is adopted, will it do what he is advocating?

Mr. THOMASON. Yes; it will give the owner of an 8-apartment property the same opportunity for a loan as the 4-apartment man. I should like to make it at least 12, but I know it would not be adopted.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. I am in accord with the gentleman, but I should like to call the attention of the Members to the fact that the gentleman's amendment is not an amendment of the Home Owners' Loan Corporation Act, but an amendment to the Home Loan Bank Act.

Mr. THOMASON. I do not care which act makes that class eligible. Right now they cannot get a loan anywhere from any agency that the Government has set up. I am going to try out everything until these deserving people get relief. I want to see more loans on small homes and apartments that are actually used, occupied, and enjoyed by good, honest, home-loving people who have their all tied up in such property. They are the backbone of the country and will do anything in reason to save their homes. It is our duty to look after them first.

Mr. ELLENBOGEN. I am in accord with the gentleman, but I want to say to my colleague that this would not mean the expenditure of any Federal money, but would only affect the matter of eligibility.

Mr. THOMASON. It just means that such a man would be eligible to go somewhere and borrow some money. Make these people eligible and I will take my chances on getting some loans.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. DUNN of Pennsylvania. I agree entirely with what the gentleman has said, and I maintain that everything he has said about the small apartment owner is true.

Mr. THOMASON. As I have said, I am not speaking for the big apartment owner, but this is a meritorious amendment and I hope the committee will adopt it. Hundreds of loans have been made to the big fellows with fine, palatial homes costing forty or fifty thousand dollars. I do not approve of many of those loans. Much of the criticism of this class of loans has been deserved. It is neither fair nor just to make this kind of loan when right across the street is some small apartment owner about to be kicked out into that same street.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me show how illogical the amendment of the gentleman from Texas is. The gentleman offers this amendment to the provision of the bill on page 1, which seeks to amend the Federal Home Loan Bank Act. The Federal home-loan system bears the same relation to the thrift and building-and-loan associations in this country as does the Federal Reserve System to the national banks in the set-up of the Federal home-loan bank system, which was created in 1932.

This bill defines what paper or what mortgages shall be eligible and it has limited the size to those buildings that do not exceed apartments for four families. The amendment offered by the gentleman from Texas seeks to raise the number from 4 to 8.

The gentleman does not accomplish any good whatsoever, neither does he accomplish the purpose that I believe he has in mind with his amendment, for all that the amendment seeks to do is to raise the amount and increase the unit number of the property behind the mortgages that shall be eligible for discount by the Federal home-loan bank system. Consequently, he is not going to get any Federal funds for this purpose. All that he does is to change the Federal home-loan bank discount system on mortgages so as to inflict a penalty upon the building-and-loan associations of the country, and compel them, if he could, to make loans on larger properties on which they probably do not now loan.

The primary function of the building-and-loan association is to inspire and induce people to become home owners; not investors and not people who build 8, 10, and 12 apartment buildings as an investment; and what this amendment seeks to do is nothing more than to alter the Federal home-

loan bank system set-up so as to inflict a penalty upon and enlarge the scope of the building-and-loan associations that are scattered from one end of the country to the other, and the gentleman would not get a dollar for the purpose he has in mind.

I do not believe it is necessary to say anything further about the illogical tenor of the amendment insofar as it applies to section 1 of the bill.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman.

Mr. ELLENBOGEN. The gentleman is correct in saying that this would not change the Home Owners' Loan Act, but it would do some good. It would permit such financial institutions as building-and-loan associations and similar institutions—

Mr. DIRKSEN. It would not do any good there.

Mr. ELLENBOGEN. Yes; it would, if they had mortgages on apartment buildings up to eight apartments they could then deposit such mortgages with the Home Loan banks and obtain a loan on the security of such collateral and for this reason I believe the gentleman is mistaken in saying it will do no good.

Mr. DIRKSEN. It only confers a discount privilege on these mortgages, but the building-and-loan associations are not compelled to take them, nor to make such loans in the first instance. A mortgage on such a property cannot be rediscounted by the Federal home-loan bank system unless first made by a lending institution.

Mr. ELLENBOGEN. But it does give them the right to exercise their choice or their discretion in the matter.

Mr. THOMASON. Let me say to the gentleman that this is not to promote new buildings, this is to try to save the fellow who has a little apartment house and is about to lose it, and the amendment just makes such paper eligible for discount.

Mr. DIRKSEN. I may say to the gentleman from Texas that he fails in his purpose there, because there is nothing mandatory in the law to compel building-and-loan associations to make such mortgages. So the amendment falls on barren ground and should be voted down by the committee.

Mr. KELLER. If the proposed amendment does not achieve the purpose which the gentleman has in mind, how can such purpose be achieved?

Mr. DIRKSEN. You can add it as an amendment to one of the sections with respect to the Home Owners' Loan amendment; but why seek to penalize and overthrow the set-up of building-and-loan associations in this country that are devoted almost entirely and exclusively to the propagation of thrift, as well as the purpose of home ownership?

Mr. KELLER. We are trying to save homes.

Mr. DIRKSEN. Yes; but you are amending the wrong section of the bill, because this refers to the Federal home-loan bank system.

Mr. KELLER. Why does not the gentleman challenge the amendment under the rules?

Mr. DIRKSEN. I am only telling the gentleman his amendment is entirely illogical to this section of the bill.

Mr. THOMASON. I will take my chances on that.

[Here the gavel fell.]

Mr. REILLY. Mr. Chairman, I move to strike out the last word.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. REILLY. Mr. Chairman, the argument presented by the gentleman from Illinois, who is a member of the committee, is right to the point. You cannot affect the building-and-loan organizations by asking them to lend their money on eight apartment buildings. The building-and-loan associations are designed to help those who build homes and not apartment houses. Under existing law, if a man has two homes mortgaged and is in danger of losing them, he can only get relief with respect to one home, the one in

which he lives. We cannot set up an institution here to take care of men who have money enough to build apartment buildings.

All of this legislation is designed to protect the home owner, and as the law now stands three apartment buildings are acceptable for discount. The pending bill raises this limit to four apartment buildings to make it conform to the Home Owners' Loan Act, as well as the Housing Act; and to adopt the amendment of the gentleman from Texas [Mr. THOMASON] would disorganize and throw the whole scheme out of gear.

It may be all right to get up here and make a plea for the poor fellows who have put their money in an eight-room apartment house, but they are not the people contemplated to be relieved and assisted by this kind of legislation.

Perhaps we may later on pass laws to take care of all the people who may own all kinds of buildings, but at the present time Congress has passed legislation to take care of home owners for three apartments, where the man lives in it; but it does not contemplate taking care of more than that. I hope the amendment will be defeated.

Mr. CROSS of Texas. Will the gentleman yield?

Mr. REILLY. I yield.

Mr. CROSS of Texas. If it is logical to adopt this amendment, then it would be logical to adopt an amendment where he has several houses. My colleague is correct.

Mr. THOMASON. But he could not live in but one house.

Mr. CROSS of Texas. He could live in any one of the separate houses.

Mr. THOMASON. He has to live in the homestead, and these people live in the apartment house, which represents all they have in the world.

The CHAIRMAN. The question is on the amendment of the gentleman from Texas [Mr. THOMASON].

The question was taken; and on a division (demanded by Mr. THOMASON) there were 45 ayes and 109 noes.

So the amendment was rejected.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I hope I do not have to vote for this bill in the form it comes from the committee. If I understand this bill, no additional applications are going to be accepted by the Home Owners' Loan Corporation. Only applications now on file can be considered. It provides that \$1,500,000,000 additional bonds can be issued. When they stopped accepting applications, they had \$800,000,000 remaining and \$1,800,000,000 in applications pending. They will need approximately \$1,000,000,000 to take care of the applications now in the various offices.

Now, if you are going to stop accepting applications, why did you give them \$500,000,000 more than is necessary?

The original law provides that until the distress period is reached the home owner cannot apply for a loan. In other words, he cannot apply until he is in distress. There are hundreds of thousands of people in this country who could not apply for a loan because they were not in distress but who are in distress today.

Are they not entitled to have their day as well as those whose loans expired a year ago? It is not fair to cut them out.

This is the best legislation that has been passed by the Democratic Party since it has been in control, and by this bill you are going to undo all that you have done.

When the time comes, I am going to move to amend section 9 if no member of the committee does. That is the section that has the provision "only applications heretofore filed can be considered." It also carries the provision for the issuance of \$1,500,000,000 additional in bonds.

Not only shall I move to provide for acceptance of new applications but I am also going to move to increase the amount for new bonds to \$2,500,000,000. There is no reason in the world why we should not continue to help the people who cannot borrow money from any other source and save their homes for them.

I come from a big city—St. Louis. The banks of my city will not loan money to home owners. To get into a building-and-loan association one must have money, and the

people I refer to have not the money necessary to get into a building-and-loan association, nor have they money to pay their taxes.

If you want to make a Bolshevik out of a citizen of this country, just take away from him his life savings which are invested in the home. He has denied himself and family many pleasures in order to put money in a home. He is honest and will pay the loan.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes; I yield to the gentleman from Georgia.

Mr. COX. I have heard it stated that the committee had voted favorably on offering an amendment to receive applications for 60 days after the passage of this law.

Mr. COCHRAN. That will not satisfy me. Make it the rest of the year, not 60 days, and I shall vote for the amendment. If it is for less, I shall move to amend it to make it at least 6 months.

Mr. COX. Also that the committee agreed to increase the amount by a quarter of a billion dollars.

Mr. COCHRAN. That, likewise, is not sufficient. If you do not do it now, you will before we adjourn. I want to see the people who have not had an opportunity up to now get a chance to save their homes, people whose distress period has arrived since they stopped accepting applications and others who will soon be in distress. They are entitled to help.

This is a good law, and I beg of you not to stop it at this time.

I introduced an amendment the opening day of the session providing for authority to issue \$3,000,000,000 additional bonds.

This is a bill that should have been passed the first week of this Congress. It should not have been delayed until now, 2 months after we have been in session. The committee should have brought in this bill in order to save the homes of many people of this country, and we would have done that very thing if we had brought it in the first week of Congress.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York, whose voice has been raised almost daily appealing for early consideration of this legislation.

Mr. FITZPATRICK. Does the gentleman believe that this amount should be raised to two and a half billion dollars?

Mr. COCHRAN. Absolutely; and we could do that without doing any harm to anyone. We do not take money out of the Treasury. We simply issue bonds and get the best security in the world as collateral.

Mr. FITZPATRICK. And they should continue to receive applications during the rest of this year?

Mr. COCHRAN. Absolutely, to continue not only the rest of the year but until the banks and private interests are ready again to finance homes, by loaning money to renew outstanding indebtedness.

Mr. FITZPATRICK. There are thousands of people today who cannot pay their taxes or assessments who were all right a year ago.

Mr. COCHRAN. Not thousands, but hundreds of thousands are in that position and need help.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. HEALEY. Is it not a fact that the banks have since started foreclosure proceedings on many of the homes of persons whose applications are now in the Home Loan office.

Mr. COCHRAN. I cannot answer whether the banks have started proceedings or not, but I know that individuals have. You can stop them by amending this bill when section 9 is reached. [Applause.]

Mr. ELLENBOGEN. I am in full accord with the gentleman, and I hope the House will agree with him.

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in opposition to the pro forma amendment. We have come to the crux of this whole situation, and we may as well settle

it right now. In the words of the Scriptures, "Come, let us reason together." The committee plans to offer an amendment which will greatly liberalize section 9 of the bill as it is now written. The present section provides for applications heretofore filed, and so forth. After the word "filed" the committee would offer an amendment something like this:

And for applicants who in good faith have heretofore sought relief of the Corporation.

Any person who had sought relief of the Corporation would be able within 60 days after the effective date of this law to have his application acted upon by the Corporation. In addition to that, this amendment will increase the authorized bond issue \$250,000,000, making a total of \$4,750,000,000.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. FITZPATRICK. How about the man who has not made application at the present time. Under the proposed amendment would he get relief?

Mr. HANCOCK of North Carolina. He would not get relief unless he had in good faith sought relief of the Corporation.

Mr. FITZPATRICK. Previous to the enactment of this law.

Mr. HANCOCK of North Carolina. Under the terms of that language it would not be necessary that he actually filed an application.

Mr. FITZPATRICK. But he must have sought relief previous to the enactment of the law.

Mr. HANCOCK of North Carolina. He must have made some effort in good faith to secure relief of the Corporation.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. COX. Seriously, does the gentleman and his committee believe such an amendment means anything?

Mr. HANCOCK of North Carolina. We believe it does. I am satisfied it leaves it largely discretionary with the Board.

Mr. COX. Does it not mean that no distressed home owner in this country will have the slightest chance of obtaining a loan unless he filed his application prior to November 13, 1934?

Mr. HANCOCK of North Carolina. I do not think that is a true statement or a proper interpretation of this amendment; and if it would not take care of those who had in good faith sought relief of the Corporation, I would not vote for it. I do not believe in gestures or efforts to mislead. Nothing could be more cruel than to arouse a false hope in the breast of a distressed home owner.

Mr. COX. Will the gentleman tell the committee what one would have to do to show that he had heretofore in good faith sought to obtain relief from the Home Owners' Loan Corporation?

Mr. HANCOCK of North Carolina. All he would have to do would be to present a letter or other evidence showing that he had written to any State agency asking information about taking care of his loan or made inquiry of some person connected with the Corporation looking to securing relief.

Mr. COX. Would he not have to show that he had actually filed an application?

Mr. HANCOCK of North Carolina. Certainly not.

Now, let me tell you I am as much interested in the distressed home owner as any man in this House. My record will prove it. I have been actively engaged in trying to fabricate every piece of legislation that has been brought in during this emergency period to assist home owners. There is no citizen in America, in my opinion, who is entitled to more consideration than a distressed home owner; but remember, they have had 18 months within which to file applications. Do you know that a week before the stop order was issued there were only approximately 6,000 applications filed? It is the judgment of the Board, with whom we have discussed this matter, that under this amendment every eligible worthy person who sought relief would be protected in his home ownership. We know that the time must come, and it must come quickly, when we must call a halt on this question of

home financing directly by the Government. Do not forget that the big lending institutions are feasting on this legislation.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. HANCOCK] has expired.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I know the committee has given very sober and serious thought to the situation which confronts the administration and the country with reference to further relief for home owners who are in distress, but I cannot agree with my own committee in the action which it has taken in confining this relief to persons who, in good faith, prior to the date this amendment takes effect, sought relief under this act. I know there are thousands who were shut off on November 14 from filing applications for relief. They took the Home Owners' Loan Corporation at its word when it published the fact that it was going to receive no more applications. In consequence of this, these people did not apply for relief. How in the world the Home Owners' Loan Corporation or the Home Loan Board or any other agency can be left to interpret what was in the mind of each individual who might have otherwise applied for relief I do not know, and I do not believe any other Member of this House knows.

As a substitute for the committee amendment which has been read, I propose, by amendment or substitution, to open the door for the receipt of applications for at least 60 days so that no one will be shut off—and I am not so sure but that we should go even beyond that, but I am willing to go along with the administration and keep it down to 60 days—and that the sum should be raised by at least \$500,000,000. So my substitute to the committee amendment will be that we open the door in order that we may receive new applications for at least 60 days, and that the amount be raised to \$5,000,000,000, which will raise the amount immediately available for loaning purposes \$2,000,000,000.

Mr. REILLY. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. REILLY. Does the gentleman believe there was any distressed mortgagor in this country who had not made preparation to ask for a loan from the Government?

Mr. WOLCOTT. Oh, yes; I believe there were thousands of them who had been hanging on by the skin of their teeth. They were hanging on because they had a sense of pride and they hoped they would be able to take care of their own obligations without help by the Government. Now they have used up all of their reserves and they find themselves in distress, and they have to go to their Government because they can go nowhere else for this relief.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HANCOCK of North Carolina. Does not the gentleman believe there are a million mortgagors in America today who would like to put their mortgage in Uncle Sam's lap?

Mr. WOLCOTT. I do not doubt that in the least, but there are certain restrictions placed upon the eligibility of this paper. In the first place, he must have been in involuntary default under the act previous to June 13, 1933; but if he were not in default on that date, he must prove to the satisfaction of the Home Owners' Loan Board one of three things—that he is in default since then by reason of an economic condition, by reason of misfortune, or by reason of unemployment beyond the control of the applicant. There are these three limitations. Therefore, there is a limitation placed upon the number of applications which the Corporation can consider.

Based upon the number of applications which were coming in when they arbitrarily and summarily shut the door on November 14, assuming that they continued at that rate, and in 60 days' time all of those who would have applied in the interim would make application, there would be 72,000 applications, based upon the fact that they were coming in at that time at the rate of 6,000 a week. There would be 72,000 applications. The average loan is for \$3,000. So we

have to increase the amount in order that this relief may be granted.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

Mr. MEAD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I come from a State where there were located the greatest number of distressed mortgages in America, and perhaps in the world. I am therefore constrained to agree with my colleague from Michigan [Mr. WOLCOTT], who has just addressed you, and to oppose the amendment which will be proposed by the committee.

The gross home-loan applications in our State, either closed or undergoing examination, total 134,628.

As of February 23, in New York State, the loans approved number 74,466 in the amount of \$385,733,880. The closings completed amounted to 53,146 in the amount of \$326,720,242. Of the gross applications of 134,628, about 35,000 have been rejected.

They are now proceeding to close the balance and estimate the total closings, when the work is completed and provided no further applications should be accepted, as approximately 100,000 loans.

In view of the excellent work that is being accomplished in our State by this splendid agency of the Federal Government, I believe that specific and determined authority ought to be implied in the amendment so that there will be no questions as to the rights of the applicant. In other words, if we increase the loaning facilities of this agency, we ought to accept applications, new and old, for a specific stated time. Then there would be no question of the interpretation of the amendment by the agency; the meaning of the Congress would be clear and final.

While I am talking about this agency in New York State I want to say that although it was cautious and perhaps a little hesitant in getting under way, it is an example, and a splendid example of the efficient operation of a governmental activity. There is in charge of the agency in the State of New York a man by the name of Vincent Dailey who has given an excellent account of himself. He has prevented partisan politics from being a consideration in any case in connection with applications for home loans.

He has gone so far as to dismiss employees who in any way, directly or indirectly, developed the partisan aspect of any case.

On yesterday the distinguished minority leader took the floor to say that there were no closings in his community until 3 weeks before election. The minority leader and myself were in agreement in speeding up the work of this agency in our State. We all felt that it was a little cautious in getting started. A review of the record, however, indicates that while they were a little slower in the north counties than they were in the larger cities it was due in large part to the inadequate facilities and services that could be secured to bring about the consents and the closings in that section of the country.

I recall as early as last June an organization was sent into Oswego County to expedite closings in this particular work; and the excellent quality of the work and the great number of closings accomplished by the Home Owners' Loan Corporation in Oswego and adjacent communities brought about the editorial praise of the newspapers in that district. The record as it applies to the Thirty-first Congressional District, represented so ably in the House by our genial colleague the gentleman from Potsdam [Mr. SNELL], is also worthy of mention. The Corporation began closings there in July of 1934 when 44 closings were effected; 64 closings were effected in August, 86 in September, 116 in October, and 161 in November before election. Today there are 311 closings in all in the Thirty-first Congressional District. While I will agree that they were slow in starting, that was due to the inadequate facilities and personnel necessary in order to bring about consents and approvals in that particular territory. We can well be proud of this agency in our State. It has established a fine record. It should be continued. [Applause.]

In the service of the Home Owners' Loan Corporation in our State politics never have interfered with the orderly management of this Federal agency. Home owners have always been extended the right to select their own insurance broker or insurance company. The selection of companies to prepare the abstracts of titles has likewise been absolutely free from partisan consideration. The only real, substantial criticism which may have been directed against the agency in our State is the fact that they could not, because of the shortage of funds, accept all of the applications submitted to them.

I am happy to be able to testify to the splendid record established by the H. O. L. C. in the Empire State. We have in Messrs. Laporte and Dailey two capable public servants, and they have in turn surrounded themselves with a capable and efficient staff. Altogether they have accomplished a great deal for our people and our State, and with the passage of this bill the people of the Empire State can look for a continuation of this excellent service.

[Here the gavel fell.]

Mr. SIROVICH. Mr. Chairman, I rise in opposition to the pro forma amendment. Mr. Chairman, the preservation of life and the protection of the home should be the fundamental concepts of all civilized society. The home is the foundation upon which the superstructure of all government is reared. The home is the institution where the father is the leader, the mother the coleader, and the children the subjects. What is more sacred, more sublime, more noble, more lovable in all our memories than the home? The home should be the symbol of unity, harmony, love, cooperation, and mutual respect. The progeny of every family is imitative in character, disposition, and temperament. As go the parents, so go the children. As go the children, so goes the home. As goes the home, so goes the nation, civilization, and the world. Destroy the home and you destroy society, civilization, and everything that goes with it.

What are the factors that should preserve every American home? First, child-welfare legislation that protects the health, vigor, and vitality of the youth of our country. Second, we must give economic security to all men and women who are willing to work in order to earn a livelihood and support those who are dependent upon them. Third, we must provide, through unemployment insurance, for those who are derelicts and driftwood of economic injustice and who find themselves the tragic victims of hunger, penury, and want. Fourth, we must protect our old mothers and fathers, who have given their all upon the altar of service to our country in times of peace. We must look after their health, happiness, and contentment through old-age pensions when they are no longer able to work in the quarries of life. Fifth, high and above everything else, to secure these blessings that I have enumerated we must pass legislation that will preserve and conserve the home, which is the foundation upon which all society must rest.

In every home, be it in a large city or town, on the plains, in the valleys or on the mountain sides, there is a little inscription upon the humble walls which inspires us to nobler and higher aspirations. This sentiment reads "God bless our home" or "Be it ever so humble, there's no place like home."

This Republic should never destroy the faith or hope in our institutions through the destruction of the home. The bill that is now being considered before the House of Representatives is one that provides for additional home-mortgage relief.

This bill is designed to liberalize and humanize the Federal Home Loan Bank Act, by bringing assistance in their great hour of need to the tragic victims of our economic depression, by enabling individual home mortgage borrowers to be assisted in the preservation and protection of all they have left in life—their home, hearth, and fireside.

Since the banks of our Republic have failed to render their full measure of loyal and patriotic service to home owners, it is incumbent upon the Congress of the United States to come to the aid of the small-home owner to aid him in his tragic

hour of need and stand behind him until the clouds of the economic depression pass away and the sunshine of prosperity returns.

The Home Owners' Loan Corporation, which is doing such wonderful work for the benefit of the people of the United States, has received applications from over 1,700,000 home owners. It will necessitate, besides the \$2,000,000,000 that have already been appropriated, an additional two or three billion dollars to adequately serve all eligible applicants who are crying pitifully to protect their investments and their homes. I shall gladly, loyally, and happily support such constructive legislation that will protect the homes of our American citizens.

Mr. Chairman, the report of operations for the week ending February 28, 1935, of the Home Owners' Loan Corporation of New York State is one of the most brilliant records of accomplishment and achievement in the preservation and protection of the home. Up to the present moment we have had 134,629 applications. Preliminary appraisals completed to date are 126,701. Mortgagees' consents obtained to date, 107,446. Final appraisals completed, 88,074. The total loans approved up to the 1st of March are \$386,540,400. This means a record unsurpassed and never equaled in any nation of the world or in any State of our Union.

The gentleman who is responsible for this magnificent contribution to the service of the people of our State, and who enjoys the respect and esteem of the men and women whom he has helped in their desperate and tragic hour of need, is none other than the State manager of the Home Owners' Loan Corporation of New York State, Hon. Vincent Dailey.

This eminent and scholarly gentleman was graduated from Georgetown University with distinction and honor. He is a brilliant journalist, a successful business man and merchant, and an intellectual student of social and economic problems. Next to our gifted and versatile State and National chairman, James A. Farley, he is the outstanding Democratic leader of our party in the State of New York. Genial, generous, gracious, he is honored, loved, and respected by everyone irrespective of political partisanship. It is a great privilege and pleasure for me to pay the tribute of my homage and respect to this modest, unassuming, thoughtful public servant for his devotion to his ideals and for the patriotic service he has rendered in making the Home Owners' Loan Corporation the outstanding agency of relief and the model for every other State to emulate.

Mr. Chairman, I would be remiss in my duties as a Member of this House if I failed to pay tribute to the loyal, outstanding, and efficient services rendered by the Hon. Dan Skilling, former deputy in the Home Owners' Loan Corporation, Mr. Ward, the present supervisor under Mr. Dailey, as well as the entire staff and personnel, for their indefatigable and persevering work, for their sympathetic and humane cooperation rendered to the citizens of New York who sought their advice, aid, and cooperation in preserving intact their life savings, symbolized in the preservation of their homes. Mr. Chairman, come what may, legislate as we will, let us remember that which we should never forget, the American home must be preserved. [Applause.]

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman from New York has eulogized Mr. Dailey, chairman of the New York State Democratic Committee, who, I am informed, has been appointing Democrats from top to bottom in this service. I assume there is no question about that proposition.

Mr. SIROVICH. I question and challenge the accuracy of that statement.

Mr. CULKIN. The gentleman is advocating civil service, I assume. I have seen statements in the press and have

heard him on the floor make speeches on that question. Does not the gentleman think that better service would be rendered and men better equipped to serve the public in this organization if this whole proposition was under civil service and let the chips politically fall where they may?

[Here the gavel fell.]

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes to answer the gentleman's question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIROVICH. Mr. Chairman, the Home Owners' Loan bill that was originally drafted and which is in the documentary archives of our building was a bill I drafted and which Mr. Luce, who was ranking member of the Committee on Banking and Currency, took and used in preparing the present Home Owners' Loan Corporation bill. When that bill came before the House I voted that all men and women working under the Home Owners' Loan Corporation should take a competitive civil-service examination. I was then an advocate of the merit system. I am today an exponent of that same principle. But it was a Republican organization that had elected Herbert Hoover as President of the United States. He appointed Franklin Fort and other members who organized the personnel of the Home Owners' Loan Corporation, who failed to provide a civil-service status for these men and women now working in the various offices of the Home Owners' Loan Corporation. Personally, I am in favor of every man and woman in the departments taking a competitive civil-service examination and taking politics out of every appointment, thereby enabling Members of Congress to do their work as Members should instead of looking for jobs for their constituents. [Applause.]

Mr. MEAD. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from New York.

Mr. MEAD. I would like to know from my distinguished colleague, the gentleman from New York, if the civil-service proposal of his would also extend to the agents of the Farm Loan Board, all of whom are Republicans in the State of New York?

Mr. SIROVICH. For the benefit of my dear friend and colleague, the Chairman of the Committee on the Post Office and Post Roads, JAMES MEAD, I would like to say that I am in favor of extending the civil service to Republicans and Democrats alike in every job of the Government of the United States. For the benefit of the gentleman from New York [Mr. CULKIN], for whom I have great admiration, I desire to state that when the hearings of the Civil Service Subcommittee, of which I have the honor to be chairman, will be completed, I shall recommend a noncompetitive civil-service examination for everyone who now holds office to give them all a civil-service status and to protect them in the security of their positions. This has been the principle that has operated for the past 52 years, in every Republican and Democratic administration.

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SISSON. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from New York.

Mr. SISSON. I want to ask the distinguished gentleman from New York, whose sentiments regarding the civil service I admire as much as does the other gentleman from New York [Mr. CULKIN], if in his answer to the question propounded by the gentleman from New York [Mr. CULKIN] he would qualify it by saying that he would not allow the civil service to apply in the same way that the Republican Party did, which blanketed tens of thousands of employees in the service of the Government without a civil-service examination and then built a civil-service wall around them?

Mr. SIROVICH. To answer the distinguished gentleman, may I say that so long as the Republicans have been filling

their respective positions as Republicans without civil service I think the Democrats should be entitled to do the same, although I believe in the merit system.

I sincerely hope and trust that the day is not far distant when men and women willing to render public service as a career will find their hopes and aspirations realized by taking a competitive civil-service examination where merit shall prevail and equal opportunities be granted to all without the guarantee of equal accomplishment or success. So long, however, as the Republicans in the past have taken advantage of the spoils system, the only solution left for my Democratic colleagues today is to give good government to the Republicans and good jobs to efficient Democrats until the civil-service bill that my colleagues and I are working on shall once and for all eliminate the spoils system in the conduct of our Government. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, pertinent to the last statement made by the gentleman from New York, I wonder if in addition to what he has stated he likewise favors the observance of the quota provision of the original act?

The gentleman from New York, the leader of the minority, yesterday criticized the Home Owners' Loan Corporation for the way it has administered the law in the State of New York. May I call the committee's attention to the fact that the State of New York fared better than any State in the Union in the sense that a larger proportion of applications that were filed in that State were actually put through and loans made. In New York up to February 14 there were 134,629 applications filed. The total amount involved was \$690,369,000 plus. There was actually loaned in New York in the retail operations of the Corporation the enormous sum of \$325,655,265. The State of Ohio fared better than any of the States, not that the total amount loaned in the State was greater or quite as great as in the State of New York, but upon a per capita basis the State did fare better than the others.

Mr. Chairman, the purpose of my taking the floor at this time and speaking to the pro forma amendment anticipating that when the section of the bill is reached where an amendment of this character or substance will be in order, such an amendment will be offered, to call attention of the Members to the fact that unless the act is amended providing for receiving new applications the result will be that the larger States will get practically all the money that is provided for in the bill. Let us take the State of Ohio. On a per capita basis the State of Ohio has received in most instances 3 to 1, and in some cases as high as 10 to 1 as much money per capita as other States.

Members who come from the outlying States, the smaller States of the Union, if they are to have any reasonable expectation of their constituents or the people of their States getting any of this one and three-quarters billion dollars then it is to their interest to support the amendment which will provide for the opening of the doors and the admittance of new applicants. You will find in some communities where the distress was no greater than in others the applicants came in by the hundreds, whereas in other communities there were comparatively few applications filed.

Now, I take the position that it would be unfair for this House to so frame this legislation as to give preference to those who have heretofore filed their applications. If the money voted is insufficient to take care of all applicants, then loans should be made upon the basis of comparative present needs and distress.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, over a thousand years ago the Chinese Nation had a civil-service law and a civil-service scheme of things. We decry and belittle them, and yet, after a thousand years, the administration, forgetting the assassination of Garfield by Guiteau, who was an office-seeker, utterly destroys and strikes down civil service.

What the gentleman from New York has said in regard to Oswego County, which is my home county, is true. Vincent Dailey took excellent care of that county, as the gentleman stated; but our quarrel here is with the proposition of putting men into these positions solely on the ground that they have a political endorsement and irrespective of technical fitness.

I am going to give you a leaf out of the Republican book. We are temporarily in the minority, but we are fast coming back, and next year, with the assistance of sundry gentlemen who are now going very far to the left, we are going to elect a Republican President and a Republican House. So be kind to us for the time being, and we will be kind to you then. [Laughter.]

When Andrew Mellon went into the Treasury he found there a host of Democratic officeholders, hundreds of them, and many of them excellent technicians. They had been placed there in the Wilson administration by the endorsement of Joe Tumulty, who was then the private secretary of the President. Andrew Mellon never removed one of those men, and unless you people have removed them, they are there today. They were doing their work well, and Secretary Mellon acted in a public capacity as he would have done in his own personal business. It was the rational thing to do.

That is one instance of the devotion of the Republican Party to the cause of civil service. I wish to reemphasize the statement of the eloquent, scholarly gentleman from New York [Mr. Sirovich], who says that civil service is an essential proposition where orderly progress and good government are involved.

The handling of public money should not be turned over to the gross, sordid hands of politics, either Democratic or Republican. Public moneys should be handled through the medium of officials qualified by technical experience for such positions.

Vincent Dailey is a Democrat, a fine gentleman personally, but he is a Democrat, unashamed and unafraid; and from the top to the bottom the men who are engaged in the field work of this great enterprise of the Government in my State no one went on the job, irrespective of technical fitness, but the men who had the endorsement of the chairman of the local county committee. Many of those men were excellent poll workers, good at getting out the vote. When they applied to their chairman he did not discriminate very much but endorsed them as fast as they applied.

I could tell this House of certain departures from the strict path of duty where I believe political influences played a part. Why, Mr. Chairman, it is inevitable, under such a dispensation, that politics should play a part. The administration has added 80,000 Democrats to that number of exempt positions in the public service. That does not make for efficiency. We are taking a step back when we put this great institution of the Home Loan into the realm of political patronage. I think we might well take a leaf out of the book of the greatly abused Mr. Mellon, who, as I say, left in the Treasury every Democrat who was then in office, and most of them are there today. [Applause.]

[Here the gavel fell.]

Mr. FORD of California. Mr. Chairman, I move to strike out the last word. When this bill H. R. 6021, popularly known as the "home owners' loan bill", was originally brought to the Banking and Currency Committee, it called for additional bonds in the amount of \$4,500,000,000. I made an honest effort to amend the bill so that the amount of additional bonds we were providing for would be raised from \$1,500,000,000 to \$2,000,000,000. After a long and serious discussion on the merits of my amendment, it was put to a vote and, in the judgment of the committee, it was decided that \$250,000,000 was the largest sum that we could get at this time. That would make the total amount \$4,750,000,000 instead of \$5,000,000,000 that my original amendment called for, or an additional sum of \$1,750,000,000, which is \$500,000,000 more than the Home Owners' Loan Corporation asked for in the first place. My purpose in getting an additional \$500,000,000 was this: I wanted the additional money

so that the Home Owners' Loan Corporation could, in the period between the time the Congress would set up new and more liberal private money-lending facilities to take care of these home owners who are now in distress. You will note in the bill there is \$250,000,000 provided to set up Federal home-loan banks. These banks are designed primarily to take care of the kind of loans the Home Owners' Loan Corporation handles. In addition to that, we have before our Banking and Currency Committee at this time a measure which is designed, if it passes, to enable all member banks of the Federal Reserve to take first mortgages of 20 years' maturity to the Federal Reserve bank and have them rediscounted the same as ordinary commercial paper was discounted under the old Federal Reserve law. That ought to open up a tremendous reservoir of mortgage money, and we are told by Mr. Eccles, Governor of the Federal Reserve Board, that there is about \$10,000,000,000 of that kind of money available at this time in the savings banks and the commercial banks of the country. Because of this large sum of available bank funds real-estate loans should be readily available, as it should take 2 or 3 years before those banks could exhaust their present heavy cash resources. While this new law will provide rediscount privileges to real-estate mortgages, the banks probably would not have to go to the Federal Reserve Board to have these mortgages rediscounted at this time, but if a cloud appeared on the financial horizon they could go, and their assets would still be as liquid as they are today. The Federal Reserve officials are convinced that this money will seek the mortgage-loan field. It is because I am hoping this private money will come into the field within 60 or 90 days after the passing of the new Federal Reserve banking bill, and take up these loans, that I asked for an additional sum to tide over the present distressed home owner and get the money from the Government until such time as private money would get into the field. If, after these changes have been made; if, after this rediscount privilege has been afforded the banks, they do not get busy and loan money to distressed property owners, the United States Government will have to take them over and proceed to do the job itself.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. Yes.

Mr. FITZPATRICK. Is the gentleman in favor of opening loans for new applications after this bill is passed?

Mr. FORD of California. On the basis of the amendment the committee is to offer; yes.

Mr. FITZPATRICK. But the amendment means nothing, insofar as new loans are concerned.

Mr. FORD of California. I would not say that.

Mr. DONDERO. Does not the gentleman think that the real test for the eligibility of the application ought to be the involuntary distress of the home owner, regardless of time?

Mr. FORD of California. That is the test provided in the bill.

Mr. DONDERO. Yes; but should not that be the test as we follow it out in this bill?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. Sisson. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. STEAGALL. Mr. Chairman, before the gentleman begins, I ask unanimous consent that all debate upon this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. Sisson. Mr. Chairman, I perhaps hinted yesterday what my own individual position is regarding the closing of applications at the present time for home owners' loans. That is, whether or not the receiving of new applications should be chopped off at this time. I recognize the force of all the gentleman from Maryland [Mr. GOLDSBOROUGH] has said, and the force of all the gentleman from California [Mr. FORD] has said, although frankly—and I hope the gentleman from California is still in the Chamber—there has been a

most remarkable change in his attitude in the last 24 hours, because he thought the other day that I was backing down. I am not in favor of suspending the receiving of new applications now, although I recognize that there are a lot of banking institutions, banks, and building-and-loan associations, and so forth, that have a lot of rotten mortgages on their hands that they would like to unload onto Uncle Sam.

Probably they have already loaded a few on, but I think we may trust the administration of the Home Owners' Loan Corporation to sift them out and get the worthy cases, the really distressed cases, the cases where the equity of the home owner has not been entirely lost, where there is still something left to salvage, and to reduce the loading down of the taxpayers of the United States to the minimum. I would rather take the chance of even loading us up with a few more rotten mortgages than to perpetrate the gross injustice that would be perpetrated if we refused to receive any new applications.

Let us look at the record. I know personally of hundreds of cases where the distressed home owners went to the regional offices seeking advice about filing applications, as long ago as last June, and where they were urged to go back and try to make peace with their mortgagee. They were led along and influenced by one means or another. Unfortunately, those who failed to file an application were, in my opinion, many of them, not only eligible, but among our most honest and conscientious citizens, because they were not trying to load their burdens onto the taxpayers. They were trying to save their own homes just as long as they could, and I will never vote to let them down. [Applause.]

Now, what is this committee doing? Frankly, I cannot defend the position of the committee in this particular respect. I say it with all due deference to every man on the committee. Every man on that committee is absolutely honest and is trying to do the best he can. It was a difficult task. But I say we have let the House believe we were going to keep that open for some length of time. Any amendment which has for its purpose, its text, that we are going to say, "Well, Mr. Applicant, Mr. Home Owner, you did not file an application, but if you can show that you, in good faith, intended to, we will pass upon your application now", should be rejected. As a lawyer who has tried lawsuits for 25 years, I have seen too much of the poppycock of trying to prove good faith, or the lack of it, and I am not satisfied to leave the decision on that question to any administration, although I have the greatest confidence in Mr. Fahey.

The CHAIRMAN. The time of the gentleman from New York [Mr. Sisson] has expired.

All time has expired.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Sec. 2. Subsection (k) of section 6 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(k) All stock of any Federal home-loan bank shall share in dividend distributions without preference."

Mr. DINGELL. Mr. Chairman, I move to strike out the last word.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. DINGELL. Mr. Chairman, in September 1934, following our experience with the Federal Housing Administration, in the field of loans for home construction and repairs, I sent out a questionnaire to 20,000 industrialists having a capitalization of \$50,000 or over to determine the needs of industry insofar as it applied to building. The survey covered every State in the Union. We have on file over 5,000 questionnaires returned to us, which definitely show that there is over \$970,000,000 worth of construction ready and waiting. Sixty-two percent of this amount of industrial construction can be financed from the reserves of the manufacturers by

themselves, but 38 percent of this great amount cannot be financed without assistance such as provided by the Federal Housing Act.

The limited time at my disposal will not give me an opportunity to disclose all that we learned through this thorough survey. I spent a great deal of my time and money in order to determine what the needs of industry really are. We must remember that over 40 percent of all of our unemployed are in the building industry. I took up this matter of industrial financing for construction with Mr. Moffett, of the Federal Housing Administration, and with Jesse Jones, of the R. F. C. Later the question was discussed at the White House.

The \$50,000 loan proposal which I made and which ultimately came to the committee was originally incorporated in my bill H. R. 4687. The exact terms I specified in my bill were lifted and incorporated in the Steagall bill and were emasculated to a lesser figure of \$25,000. As the original proponent of the idea I am not looking for the peacock feathers, nor do I care to bask in the spotlight by myself, but I say that since Mr. Moffett, as Administrator of the Federal Housing Administration, had given my bill and its provisions his unqualified approval. The original provision of \$50,000 should be reinstated in the bill. The Federal Housing Administration finds that it can only use \$100,000,000 of the \$200,000,000 which was granted by the Seventy-third Congress, and Mr. Moffett is very anxious to come to the aid of the unemployed and to the aid of industry which needs modernization, repairs, and new machinery. The borrower will pay the insurance premium on the entire loan which the Government insures up to 20 percent.

I learned that the committee in its wisdom saw fit to cut in half the original amount, so I consulted again with the Federal Housing Administrator, and he expressed keen disappointment, because he points out that he has a usable surplus of \$100,000,000 which was allowed by Congress, and now we are trying to prevent him from applying it to its proper use. Mr. Moffett knows his position. He knows that industry needs some assistance, and he has the money which Congress allowed for this purpose. Why hamstringing an agency of the Government by limiting the amount of a loan to \$25,000 when the Administrator states his fund is ample enough to cover applications of \$50,000?

I have spent many long months studying this one important phase and I am prepared to debate it with any man on this floor.

Mr. SISSON. Will the gentleman yield?

Mr. DINGELL. I yield.

Mr. SISSON. I take it that the gentleman from Michigan approves of the position which I attempted to set before the House in the remarks I made yesterday on this particular provision?

Mr. DINGELL. Without any qualification whatsoever.

Mr. SISSON. Namely, under title I, increasing that authorization up to \$50,000 for the purposes stated by the gentleman?

Mr. DINGELL. That is right.

Mr. SISSON. Is the gentleman aware of the fact that this bill, as originally introduced in the House by the Chairman of the Committee on Banking and Currency, contained the precise provision for which the gentleman is now contending?

Mr. DINGELL. I pointed that out early in my discourse.

Mr. SISSON. The committee, without giving any reason, and by a vote of 12 to 11, reduced that \$50,000 to \$25,000, and I challenge anyone to deny that statement.

Mr. O'CONNOR. Will the gentleman yield to me?

Mr. DINGELL. I yield.

Mr. O'CONNOR. The gentleman is aware that I am going to propose an amendment, through some member of the committee, to carry out the administration's wishes, to carry that amount at \$50,000?

Mr. DINGELL. I thank the gentleman from New York. Mr. Chairman, I have presented this amendment and felt, in all modesty, that inasmuch as I had devoted so much time to this subject that it was fitting that I offer such an amendment, but I gladly yield the privilege to the distinguished

gentleman from New York. In fact, I would rather that he propose it.

Mr. O'CONNOR. I have no pride of authorship, but the gentleman spoke to me and I told him that I was already prepared to do it.

Mr. DINGELL. I present herewith a comprehensive report of the survey prepared by my consultant, Moritz Kahn, one of the world's foremost architects and engineers. I do so for the benefit of the Members.

ALBERT KAHN, INC.,
ARCHITECTS AND ENGINEERS,
Detroit, November 24, 1934.

HON. JOHN D. DINGELL,
Congressman, Fifteenth District of Michigan,
Detroit, Mich.

DEAR SIR: As per your request of October 4, I submit herewith my preliminary report on the replies to the questionnaires recently distributed amongst industrialists. At that time you suggested that, in addition to my compilations, I should give you my personal views on the present condition of the heavy industries in this country and also any suggestions which might assist you in formulating the bill you propose to introduce to revive the heavy industries.

The compilations so far made are included in the accompanying report. My personal views are expressed in this letter.

It is well recognized that there can be no return of normal conditions in the United States until there is a revival of our heavy industries, the stagnation of which is the main cause of continued unemployment.

The marked improvement made during the past 18 months in our consumer goods industries can be considered only a palliative. The permanent cure must be sought in the rehabilitation of the heavy industries.

Amongst the latter the construction industry, which is the most important in this country, is the one which today suffers the greatest hardship in that lack of activity therein accounts for approximately 40 percent of our unemployed, leaving out of consideration those who can be classed as unemployed even under normal conditions.

With their reduced purchasing power the unemployed in the construction industry account for the great bulk of the remaining unemployed. Hence by solving the problem in the construction industry we will be most likely to solve the entire problem of our unemployed.

While the National Housing Act will prove a great stride toward the desired goal, we stand to gain even more from a national program of construction of commercial and industrial buildings, and for several reasons:

- (1) This field has lain dormant for 5 years.
- (2) Industrial projects are larger than home-building projects, and with the same amount of effort will absorb more men.
- (3) The unemployed can be more expeditiously absorbed in industrial projects than in home building.
- (4) An industrial plant, after being put into operation, will in turn give employment to men outside of the construction industry.

It is immediately granted that in many branches of manufacture production capacity is already greater than consumption demand and that one of the causes of the present depression is the insufficiency of consumption. It is therefore essential that no new plants be built for such industries where this condition applies. There are many industries, however, where this state of affairs does not apply, and herein we will find great scope for development. As a single instance let us consider the brewing industry.

Prior to prohibition more than 1,400 breweries were operating in this country. Most of these plants were dismantled during the days of prohibition. Up to January 1 of this year less than 600 plants had been reinstated. During the year 1916 the production of beer in the United States amounted to 66,000,000 barrels. The population of the 28 States then "wet" was 71,677,000. At the present time 3.2 beer has been legalized in 42 States and the District of Columbia, having a total population of 117,183,000. Based on the per capita consumption of 1916, the consumption power of the country is at present about 100,000,000 barrels per annum, although the demand is not nearly at this rate today, owing to the lack of purchasing power caused by unemployment. In any event, these figures show that under normal conditions we can easily support expansions of existing plants and/or the construction of 1,500 new plants, the construction cost of which will exceed \$134,000,000 in buildings and \$196,000,000 in new equipment. Lack of finances appears to be the principal cause for the delay in the development of this particular industry.

Other industries can be cited wherein modifications or new plants are urgently needed today, such as the manufacture of air-conditioning equipment, radio equipment, new mechanical equipment, household appliances, drugs and chemicals, food products, paper-box containers, and the like.

In many industries plant modifications or expansions are also required on account of the obsolescence, new methods of production, or the natural growth which has taken place in the past 5 years.

During the past 15 years there has been a radical development in the design of industrial buildings to increase their efficiency and to provide better conditions for the workers. In many industries old

buildings can be replaced by new buildings, the savings in the operating cost of which would be sufficient to amortize the construction cost in a relatively short time.

It is erroneous to draw the general conclusion that during a period of depression manufacturers should refrain from investing capital in "bricks and mortar." In spite of the depression, we must keep abreast of the times. We cannot sleep ourselves into prosperity.

As stated in my report, a survey of the situation shows that we need in this country today industrial construction, the total cost of which is conservatively estimated at \$970,000,000, exclusive of the cost of new equipment. If this work were put in hand it would, together with the activities of the National Housing Act, result in the employment of more than 3,000,000 men.

Of this total amount of work, 62 percent can be carried out by industrialists who are themselves able to finance the cost thereof; the remaining 38 percent can be put in hand only if financial aid is available.

Of the total amount of work, 36 percent can be started immediately; the remaining 64 percent is stated in the replies to be dependent upon a return of normal conditions.

Reverting to the brewing industry, it is well known that lack of finance is the greatest obstacle to be overcome, and the reason for this is quite apparent. The repeal of the eighteenth amendment is but a recent event, therefore the new brewing industry is in its infancy. Practically all brewing companies recently incorporated were dependent upon outside financing. Those first started experienced little difficulty, but soon the sources of funds seemed to dry up and for the past year it has been almost impossible for new brewing corporations to find the necessary capital for construction work or for the purchase of equipment.

Several other industries, according to the replies received to the questionnaires, are in a similar plight, though probably not to the same extent.

In my survey of the replies received I noted that in a great majority of cases where lack of finances was stated to be the cause of delay in construction, the repliers expressed their opinions that the Government should not be called upon to provide the necessary loans, and expressed the hope that funds would be made available through banking institutions, with long-term periods of repayment. In truth, many repliers stated that their confidence in the Government would be increased if the Government would refrain from incurring further obligations.

During the last session of Congress the Reconstruction Finance Corporation was authorized to lend to industry the sum of \$300,000,000. The Federal Reserve System was also empowered to lend \$249,000,000. Of the total sum of \$549,000,000 thus made available, less than \$30,000,000 was loaned to industry up to a recent date, and Jesse F. Jones, Chairman of the Reconstruction Finance Corporation, confessed his inability to answer the question, "Why doesn't industry borrow more?" The answer will probably be found in the vast amount of "red tape" and the onerous conditions which were placed in the way of the prospective borrower. Much can be done by the Government to alleviate these conditions.

But there is no reason why the Government should bear the entire burden. Sufficient funds are in the hands of our banking institutions; all that is required is a general loosening up of long-term credit. According to the replies to the questionnaire, prospective borrowers are asked to mortgage practically everything they have, and even then they are offered only short-term loans. This is a rather interesting condition in view of the statement made by J. Pierpont Morgan, during an investigation, to the effect that loans made by his corporation backed by securities and collateral involved them in relatively greater losses than loans based on the character and history of the borrower. Mr. Morgan stated that in his experience losses from loans based on character and history were practically negligible.

It is to be hoped that our Government may succeed in creating a situation under which banking institutions will resume the long-term lending of the vast accumulation of funds now on hand, thereby obviating the need of Government appropriations for the revival of the construction industry.

Referring to the potential construction projects, the execution of which is dependent upon a return of normal conditions, we should bear in mind that the purpose of a national construction program is to affect a return of normal conditions, and thus we have a circle of expected events. We are faced with the question, "Must a return of normal conditions precede a revival of the construction industry, or must new construction precede a return of normal conditions?"

I am of the opinion that these events must be coincident and can be brought about only by the cooperation of four groups, each of which must do its share—the Government, the banking institutions, the industrialists, and labor. The Government is anxious, and in fact has already started to make the necessary readjustments. Banking institutions should be encouraged and enabled to loosen up on long-term credit. Industrialists in turn must be courageous enough to assume a slight amount of risk. And labor must let down on its demands. The proper coordination of the efforts of these four groups will bring about the desired results, and then it will not matter whether "the egg came first, or the chicken."

To assist you in the preparation of your bill, I submit the following suggestions which might be worthy of further study:

(1) Modify the Securities Act of 1933 to facilitate the obtaining of funds.

(2) Eliminate for a period taxes on capital expenditures for industrial construction and equipment.

(3) Revise undistributed earnings tax to permit accumulation of profits to be expended for buildings and equipment.

(4) Enable bankers to discount long-term loans to industry.

(5) Arrange for greater cooperation between the department which is urging bankers to make loans and the department in charge of bank examiners.

(6) Create a department which will foster better cooperation between bankers and industrialists.

Dealing with the last-mentioned suggestion, there are some departments in Washington at the present time which go far out of their way to help those seeking information and their assistance. I know of instances where information was asked of some departments, and not only was all available information immediately forwarded but it was, in fact, accompanied by personal letters inviting the inquirer to ask for more information if necessary. This spirit of cooperation is exceedingly valuable. A similar desire to prove of assistance to industrialists would, in my opinion, make the department I suggest a very valuable one.

Very truly yours,

MORITZ KAHN.

REPORT ON REPLIES TO QUESTIONNAIRES DISTRIBUTED ON OR ABOUT OCTOBER 25, 1934

NOVEMBER 24, 1934.

HON. JOHN D. DINGELL,

Congressman Fifteenth District of Michigan,

Detroit, Mich.

Preamble

DEAR SIR: In accordance with your instructions of October 4 last, I submit a report dealing with the answers to the questionnaires you recently mailed to industrialists. The purpose of this questionnaire was to obtain information which would assist you in formulating an act to foster the construction of commercial and industrial buildings.

On or about October 25, 19,000 questionnaires were sent out. Most of the 4,280 replies came back within 10 days thereafter. Some, however, are still trickling in.

A thorough analysis of the information contained in these replies presents a statistical problem which I have been unable to deal with finally in the time allotted to me.

Realizing your desire to obtain as quickly as possible some information for your act, I thought it advisable to submit this preliminary report.

Many of the replies gave information which was not sufficiently explicit. Probably further information should be obtained from these sources. In some cases I came to the conclusion that estimates given for the value of prospective construction work were excessive, and in such cases I thought it advisable to reduce the estimates, governed by our experience in the industrial sphere.

I would point out that my estimate of the total value of the heavy construction work waiting to be executed in this country is, if anything, on the low side. It was thought that your purpose would be better served by keeping the figures conservative.

CONCLUSIONS FORMULATED

Based on a study of the replies received, and adopting the data given as a cross-section of general conditions throughout the country, I feel warranted in formulating the following conclusions:

(1) There are now waiting to be carried out in this country, and within the near future, new industrial plant modifications and/or expansions, the total cost of which approximates \$970,000,000.

(2) Of this total amount of work, 36 percent can be started immediately; the remaining 64 percent is stated in the replies to be dependent upon a return of normal conditions.

(3) Of this total amount of work, 62 percent can be carried out by industrialists who state they are themselves able to finance the constructions; the remaining 38 percent can be put in hand only if financial aid is available. (See note below.)

(4) The number of potential projects wherein the above amount can be expended totals 11,587. This number is subdivided as follows: 7,645 projects each costing from \$1,000 to \$50,000; 1,962 projects each costing from \$50,000 to \$100,000; 1,683 projects each costing from \$100,000 to \$500,000; 195 projects each costing from \$500,000 to \$1,000,000; 102 projects each costing over \$1,000,000.

Further time would enable me to tabulate the different States wherein the construction work is contemplated; the amounts applicable to various trades; the amounts necessitated by various causes, such as obsolescence, new-process developments, or normal growth; and the amounts involved in various types of structures, such as administration buildings, factories, warehouses, or power plants.

NOTE.—In the great majority of cases where lack of finance was stated to be the cause of delay in construction, the repliers stated that in their opinion the Government should not be called upon to provide the necessary loans and expressed the hope that funds would be made available through banking institutions, with long-term periods for repayment.

METHOD OF PROCEDURE

A specimen of the questionnaire sent out is shown below. These questionnaires were sent to 19,014 manufacturers capitalized at \$50,000 or more, and only to those who would be likely to give the most representative information. These questionnaires were dis-

tributed in States where manufacturing is the principal, or one of the principal industries.

As will be noted, the questionnaire required no signature of the repplier. This was for the purpose of placing as little restraint as possible on him in an attempt to gain his unbiased replies and suggestions. In many cases, however, the replies were signed. To determine the percentage of construction work available in each State the stamp cancellations on the return envelopes were carefully noted.

Basis of conclusions arrived at

Approximate total number of manufacturers in United States.....	147,000
Approximate number of manufacturers capitalized at \$50,000 and up.....	32,400
Number of questionnaires mailed.....	19,014
Number of questionnaires undelivered.....	215
Number of questionnaires delivered.....	18,799
Number of replies received.....	4,282
Number of replies giving no information.....	836
Number of replies giving information requested.....	3,446
Number of estimates received as percent of possibilities.....	10.8
Consequent weight factor.....	9.29
Number of projects reported.....	1,246
Number of potential projects (weighted).....	11,587
Total value of construction work reported.....	\$89,781,500
Total value of potential projects (weighted).....	\$836,000,000
Estimated value of expansions or new constructions in brewing industry (information obtained from a recent survey and not included in the above figure).....	134,000,000

Total value of potential construction work.... 970,000,000

SPECIMEN OF QUESTIONNAIRE

1. Do you contemplate any immediate modification or expansion of your plant?
2. Is any modification or expansion being delayed for some reason; and if so, why?
3. Would your construction program be expedited by the availability of funds resulting either from a general loosening up of credit by banking institutions or a reasonable method of governmental financing?
4. Would a return of normal conditions (1926 standard) justify any modification or expansion of your plant within the next 3 years?
5. Would such modification or expansion be necessitated by—
 - (a) Obsolescence of existing plant;
 - (b) New developments in production; or
 - (c) The growth of your industry in general?
6. Would such modification or expansion involve your—
 - (a) Office or administration building;
 - (b) Manufacturing building;
 - (c) Warehouse; or
 - (d) Power plant?
7. At present-day prices, what would be the approximate expenditure on such modification or expansion excluding the cost of manufacturing equipment?
8. Kindly give me any other information which you think may assist me in formulating the terms of a bill to provide stimulation to construction through loans to industry.

JOHN D. DINGELL,
Member of Congress, Fifteenth District of Michigan.
7310 GRAND RIVER AVENUE, Detroit, Mich.

SUGGESTIONS CONTAINED IN REPLIES

In answer to question 8 few repliers gave suggestions to assist you in formulating your bill. Most of the repliers took advantage of this question to express their suggestions as to what the Government should do to alleviate present conditions. The following are typical examples of suggestions most frequently made:

- (1) Inspire confidence in the Government.
- (2) Stop Government interference with industry.
- (3) Eliminate Government competition with industry.
- (4) Balance the Budget.
- (5) Stabilize the dollar.
- (6) Modify section 7A of the N. R. A.
- (7) Prevent the adoption of a 30-hour week.
- (8) Government efforts in this emergency should be kept up only until private enterprise has been enabled to carry on.

ADDENDUM

In the following pages I include abstracts of letters and suggestions made in reply to question 8. These quotations are typical of the views most frequently expressed. The files of letters received are available for more careful study at your convenience.

Very truly yours,

MORITZ KAHN.

ADDENDUM

ABSTRACTS OF LETTERS AND SUGGESTIONS MADE IN REPLIES TO QUESTION 8

Although we appreciate the worthiness of your motives in attempting to secure the resuscitation of the heavy industries, nevertheless we do not believe that the solution to this lies so much in providing facilities for getting the money for construction of commercial and industrial buildings, but rather lies in giving assurance

to the business man that his business over the next 2 or 3 years will not be subject to unexpected hazards other than those which can be normally foreseen.

It is our experience that the ordinary good business man is not spending money for expansion of his facilities at this time because of the uncertainty which lies ahead.

Due to the attitude of the administration, increased labor costs and difficulties with strikes can easily be foreseen. The inability and unwillingness of the administration to commit itself on the question of the Budget and its unwillingness to curb and check the vast outpouring of emergency spending leaves little reason for the business man to proceed to make capital investment with any assurance.

If a reasonable certainty of the future were to be given, we feel that this of itself would provide the necessary stimulation to expansion of facilities without setting up any additional machinery. We feel that it is not inadequacy of facilities and of money which is now lacking so much as it is the uncertainty of what the administration may do.

We believe there is a large volume of orders that is waiting to be placed, depending upon the buyers being able to secure capital with which to make purchases on terms that would permit them to pay it back over a period of 10 years' time. Many industrial corporations have lost money heavily during the past 3 or 4 years; their surplus has been reduced to a low level, if not entirely wiped out. New funds from the sale of capital stock are, practically speaking, not available. A great many of these industrial corporations are fundamentally sound, are a good financial risk, and have the courage to go ahead on improvements, replacing of old machinery, fixing up buildings that need repair, possibly to add to their line of product, if funds for that could be offered at, say, 4 percent over a period of 10 years' time, amortization to start in 1 year after the loan is secured, beginning the return slowly and working up to the larger amounts to be paid at the end of the loan period.

Would not favor loans to industry by any governmental agency. Favor modification of Security Act so as to enable legitimate companies to borrow through regular channels from the public for worth-while capital improvements.

While we do not profess to know the administration's problems, it is our belief that the prospects of a continuation of an unbalanced Budget, uncertainty as to the value of a dollar, and the further threat of business arrestment are the biggest obstacles in the path of a real upward surge. With assurance to business on these points, it is my belief that the improvement in business would do far more toward relieving the unemployment situation than has been done to date. This job would then be done on a sound basis and, I think, would be accomplished in a surprisingly short time. The prospects of sales, particularly in the capital goods industries, considering stagnation over the past 5 years or more and the matter of obsolescence, are, to my mind, phenomenal, and all that is needed is confidence to go ahead.

In our opinion, it will be necessary for Congress to enact laws which will make it illegal to strike or picket plants until the Government authorities have had the time to hold hearings and render a decision as to the merits of the controversy. Section 7A of the N. R. A., in our opinion, is one of the principal causes of the present unsettled condition. We make this statement with no bias on our part, because we have never had the slightest trouble and are now paying rates considerably higher than the highest war rates.

Believe loans to industries should come through regular banking channels and that the important thing to assure the proper flow of such loans is to clarify the Government attitude, which will remove fear and uncertainty from business minds. In our own case, we are developing our facilities without fear and with great confidence in the future of our own industry.

Modify labor clauses in N. R. A. Particularly legislate by order collective bargaining with a joint committee of majority and minority groups and/or individual. Thus settle forever interpretation of section 7A.

Free business from politics. Restore confidence by sound legislation. Stop considering the manufacturer and merchant as public enemy no. 1. Investigate labor organizations running amuck under the leadership of racketeers. We are all tired, disgusted, and desperate.

Our construction and reconstruction program is about completed; but if we could gain confidence that private industry is going to be allowed to enjoy a fair return on its investment, we would proceed with other projects we have in mind.

There never has been a time when our Government has injected into our labor-industry relationship the uncertainty that can be credited to section 7A. It is just as unfair to labor as it is to industry, and after 1 year of uncertainty as to the meaning, and with direct reversals within the administration itself, it now seems probable that the lack of clarity was intentional so that the

administration can have labor think that it was being helped and at the same time have industry see that the meaning was sufficiently obscure to leave question.

We believe loans to industry should be made through regular banking channels and should be subject to discounting by Federal revenue banks and R. F. C. Terms should be at low rate of interest and over a 10-year period, with retirement features for sinking fund created by a percent of annual earnings.

Many technical improvements and inventions in the chemical industry are awaiting release. Research has progressed beyond the ability of industry to finance its developments. The establishment of available long-term credits, say, over a period of 10 to 15 years, would provide means for many undertakings now lying dormant. They are the type of development which requires new construction, new equipment, new sales and advertising projects. They create new markets and provide opportunity not only for common and skilled labor but for professional and executive personnel as well.

Herein lies, in my estimation, a great and new field for employment.

Stop Federal Government competition with private industry, both directly and indirectly, and end uncertainty caused by constantly changing experiments.

A sound dollar, faith in Government, and promise of no Government interference is essential.

The only suggestion we have is that when formulating your bill do nothing that will cost the Government money, as every Government cost means higher taxes and the prospect of higher taxes, in our opinion, would probably result in the situation of having any stimulation in building, as a result of Government lending, more than offset by curtailment of building on the part of those people who have money.

Extension is a difficult question as long as the Government dictates policies.

We believe that if bank credit was made more easily obtainable by reliable firms through regular bank channels, business would quickly improve, and it will be unnecessary for the Government to make any further expenditures in business.

Frankly, we do not believe that any artificial stimulation will be required to encourage business men to go ahead in the normal process of expansion if they could be assured, as I said above, of the road that lies ahead and be left free to exercise their own judgment, initiative, and ability along these lines.

Please do not understand from the above that I am in any way an old rugged individualist. I am thoroughly in accord with a reasonable amount of Government supervision along the general lines of the N. R. A. We were one of the first concerns to sign the President's original agreement and are working with whole-hearted cooperation in the codes governing our industry, but I cannot help but feel that there is still too much theory and not enough balanced judgment in most of the plans which have so far come to us from Washington.

COPY OF TYPICAL COMPLETE REPLY RECEIVED

In reply to your letter of October 25 and the questionnaire enclosed with it, I am listing the answers to your questions in the order in which they appear on the questionnaire, and following these answers you will find some remarks on this whole subject.

1. Do you contemplate any immediate modification or expansion of your plant? Answer. No.

2. Is any modification or expansion being delayed for some reason; and if so, why? Answer. Yes; because we are concerned about the administration's policy on tariffs, on the Budget, on the gold content of the dollar, on interpretation of 7a of the N. I. R. A., on a minimum working-hour act, on future taxes, and further experimentation and class legislation.

3. Would your construction program be expedited by the availability of funds resulting either from a general loosening up of credit by banking institutions or a reasonable method of governmental financing? Answer. No; because we have sufficient funds of our own and we have banking credit if we wish it.

4. Would a return of normal conditions (1926 standard) justify any modification or expansion of your plant within the next 3 years? Answer. Yes.

5. Would such modification or expansion be necessitated by—

(a) Obsolescence of existing plant? Answer. No.

(b) New developments in production? Answer. Yes.

(c) The growth of your industry in general? Answer. Yes.

6. Would such modification or expansion involve your—

(a) Office or administration building? Answer. No.

(b) Manufacturing building? Answer. Yes.

(c) Warehouse? Answer. Yes.

(d) Power plant? Answer. No.

7. At present-day prices, what would be the approximate expenditure on such modification or expansion, excluding the cost of manufacturing equipment? Answer. \$75,000.

8. Kindly give me any other information which you think may assist me in formulating the terms of a bill to provide stimulation to construction through loans to industry.

I see no need for the bill you suggest. Beyond any doubt a pick-up in the heavy industries is not being held up for lack of funds. The banks are available for such funds in cases where companies themselves do not have the funds to expand without borrowing.

I believe that your proposed bill will have but little effect on the heavy industries, because it is not the depression or lack of credit facilities, but lack of confidence that is keeping industry from expanding. In 1931-32 there was a depression and we spent \$3,000,000 to construct a new plant. Today we would not dare to do that.

The President has been asked time and time again to tell us what he intends to do. His refusal to say anything but empty words creates not only lack of confidence but very strong suspicions that he hesitates disclosing his plans because he has bad news in mind. The psychological effect of his refusal to commit himself is continuing the depression.

It is reported that the Michigan Alkali Co. in your own State has a program of construction in mind which would eliminate all unemployment in the city of Wyandotte. I am told that that company does not go ahead for the reasons given above, and because as soon as work started there would be a horde of labor agitators and Communists who would involve labor in more strikes and riots.

Thus far these Communists have been aided by the administration and strikers placed on relief rolls.

Do you suppose people are going to risk their money for expansion under such conditions?

Do you know that the many alien Communists whom the courts have ordered deported are not being deported, and that in the Department of Labor, the Bureau which dealt with these deportations, has been eliminated?

Business needs assurance on which it can depend that common sense, square dealing, and honesty from the administration may be expected, and that the administration will stamp out communism and disorder instead of fostering it; that it will cease competing with business.

Unless these steps are taken all the fine credit schemes in the world will do little, if any, good.

Yours very truly,

JANUARY 22, 1935.

HON. JAMES A. MOFFETT,

Chairman Federal Housing Administration,
New Post Office, Washington, D. C.

DEAR SIR: On Thursday last you asked me to estimate the value of industrial plant modification and/or expansion which would result from loans to industrialists under either of two conditions:

First, if the loans were limited to \$25,000.

Second, if the loans were limited to \$50,000.

The report I sent to Congressman DINGELL under date of November 24, 1934, dealt only with new building construction. The figures therein mentioned do not include the value of repairs to existing buildings and equipment, nor the cost of new equipment required. For your purpose, these items should be included.

I estimate that the granting of loans limited to \$25,000 will influence during the coming year expenditures on industrial plants totaling \$910,000,000. The granting of loans limited to \$50,000 will influence expenditures totaling \$1,350,000,000.

I am of the opinion that in either case the total amount of loans required by industrialists will not exceed 38 percent of the total expenditures.

Further, to my report of November 24, 1934, we should bear in mind that during the past 5 years industrialists have reduced to a minimum their expenditures on plant and equipment maintenance. Assuming they spent in that period only half the amount they would have spent under normal conditions, I estimate there is to be made up a backlash in the amount of \$4,864,000,000 to cover the cost of merely repairs to existing plants and equipment.

To this figure should be added the cost of new buildings now required to a total value of \$970,000,000 (see report Nov. 24, 1934), as well as an expenditure on new equipment in the amount of \$1,525,000,000, making a total prospective expenditure of \$7,359,000,000 by industrialists on plants and equipment.

This additional expenditure of \$7,359,000,000 in the heavy goods industries would go far to eliminate our unemployment problem. Such a national program could well be fostered in conjunction with the operations of the F. H. A.

Of this total, work to the value of \$2,650,000,000 could be started immediately, providing financial aid were afforded through banking institutions. The necessary financial assistance would not exceed 38 percent of the expenditure, or about \$1,000,000,000. If the \$1,000,000,000 loans were insured by the Government to the extent of 20 percent, the \$200,000,000 obligation on the part of the Government would be of little consequence compared with the beneficial results attainable.

Very truly yours,

MORITZ KAHN.

The Clerk read as follows:

Sec. 5. Clauses numbered (1) and (2) of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, are amended to read as follows: "(1) the home mortgage loan secured by it has more than 20 years to run to maturity, or (2) the home mortgage exceeds \$20,000 or."

Mr. YOUNG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, reference has been made to the outstanding record that has been made in the State of Ohio as to the number and the amount of the loans made, and I am very proud that the State I represent as Congressman at large has been a leader in the saving of homes. I am glad to pay tribute to Henry G. Brunner, the State manager of the Home Owners' Loan Corporation in Ohio, who at the time he was appointed was chairman of the Democratic State executive committee of the State of Ohio. The facts are, however, that since the adoption of this institutional amendment of April 28, 1934, too many loans have been made in the State of Ohio, as well as in other States, to mortgagors who really were not in distress at all. In fact, it is safe to assert that in the last 6 months of 1934 the majority of loans made in the State of Ohio were made to help liquidate banking institutions. The banks of this country took advantage of the Home Owners' Loan Act. We in Congress intended that this great corporation would save the homes of the people of our country. We wanted to make the Home Owners' Loan Corporation the greatest humanitarian corporation in all the world. I hope the Congress will repeal the institutional amendment of April 28, 1934. I understand, in fact, that the committee has agreed to this. I hope that hereafter distress of the individual will be the sole test of eligibility under this act. I hope also that this will be made wide open, as the gentleman from Georgia [Mr. Cox] suggested. I hope that the home owners of the country will be given not 60 days, but until December 31, to make applications, and that all home owners of this country who are in distress—that to be the sole test—will be given an opportunity to apply for the relief that we in Congress intended, irrespective of whether they have made application before or within 60 days.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. DUNN of Pennsylvania. They may be given an opportunity to make application until December 31, but what guarantee is there that they will get the loan? This is quite another matter.

Mr. YOUNG. I agree with the gentleman that there has been maladministration on the part of officials of the Federal Home Loan Bank Board here in Washington. There has been too much red tape emanating from Washington. There have been too many restrictive regulations directed from Washington. I desire an authorization of an increased bond issue in the sum of at least \$2,500,000,000 and that this be made wide open for all applicants who are genuinely in distress, and that it be held open until December 31.

Mr. DUNN of Pennsylvania. Does the gentleman think that \$2,500,000,000 would be sufficient?

Mr. YOUNG. Answering the gentleman from Pennsylvania, I call his attention to the fact that this Congress convenes again in January 1936, and if the sum authorized has not proven sufficient we may then legislate further to try to make this Corporation continue to be what we in Congress intended it should be. [Applause.]

[Here the gavel fell.]

Mr. MERRITT of New York. Mr. Chairman, I move to strike out the last two words.

It has often been said that the Home Owners' Loan Corporation was, in a sense, a charitable organization. In my opinion, I do not think that a very fair statement. There is no doubt in my mind that many unscrupulous people have taken advantage of this agency of our Government. However, the greatest number of applications are just ones and there is no doubt that the applications pending in the various offices are also just ones.

All mortgage companies in and around New York are either in the hands of receivers or are operating on a restricted basis under the supervision of the New York State banking department, and, as a matter of fact, the only companies not restricted are very small ones; therefore it is most imperative that these home owners have a place whereby they can have their mortgages extended, and that place is the Home Owners' Loan Corporation.

I am one of the Representatives at large in my State, but in the particular congressional district in which I live, and which is represented by my colleague, Mr. BACON, there is a situation existing, brought about not by the home owners, but by the lending institutions, so that it is impossible to renew most of the mortgages that have become due in the last year or two. I refer particularly to the houses that were built in large quantities, block after block, and sold to wage earners, including school teachers, firemen, and policemen, and, may I say in passing, that these school teachers, firemen, and policemen received the first solicitation as buyers of these houses because of the good risk they represented.

As for the remaining owners of these houses, it is safe to assume that the wage earner was in a position to amortize the liens against his house on a safe and sound basis.

I might also suggest that, according to the articles I have read, it seems as though the \$1,500,000,000 that this bill calls for, will only take care of those applications already submitted to the agency, therefore, I am in favor of having an additional amount set aside to take care of those applicants who have not had the privilege of submitting their application for a loan.

I do not believe there is a Member of Congress who will deny the fact that the people who make the very best citizens of our land are the ones owning homes and paying taxes that help to run our Government; therefore, I ask the cooperation of all the Members of the House in the passage of this bill so that the vast number of home owners who are unable to meet the requirements of mortgage loans on their homes by reason of their inability to obtain extensions or replacements thereof, or the requisite additional financing, in order to prevent foreclosure, may be protected.

Mr. BRUNNER. Mr. Chairman, will the gentleman yield?

Mr. MERRITT of New York. I yield.

Mr. BRUNNER. Is it not a fact that in the county in which the gentleman resides over 23,000 applications were filed?

Mr. MERRITT of New York. Yes.

Mr. BRUNNER. Is it not also a fact that some 10,000 applicants have received their loans?

Mr. MERRITT of New York. I think the gentleman is correct.

Mr. BRUNNER. By the simple process of deduction we have at least 13,000 who are in distress. Does the gentleman not think we should extend the time within which to file applications?

Mr. MERRITT of New York. Yes; we shall have to extend the time.

Mr. BRUNNER. And we shall have to increase the amount also?

Mr. MERRITT of New York. It is imperative to extend the time, also additional funds, so those in distress may have an opportunity to submit their applications.

Mr. SABATH. Is it not a further fact that the gentleman's district is recognized as one of the richest down State districts in the State of New York?

Mr. MERRITT of New York. The gentleman should know that I do not happen to represent any particular district, as I am elected at large.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise today to ask the simple question, Why is it that the Congress should depart from that which gave the Seventy-third Congress the gold star of its existence? The Seventy-third Congress seemed particularly interested in the distressed home owners of this Nation. The Seventy-third Congress came to the rescue of the distressed home owners of the Nation, and I see no reason for chang-

ing now. If we had distress then, and we recognized it, we should see the distress that still exists and recognize it now.

When we talk about changing the date and putting it back to the 13th of last November, and admit that we cut off the applicant automatically by an arbitrary ruling of the Board, I tell you that was not the purpose or intention of this body, and we should not abide by it. That final date for the applicant should be set in the future. We should be mindful of, we should be interested in, and we should be solicitous for those back home who sent us here to be their Representatives in this national body.

Mr. Chairman, the Home Owners' Loan Corporation was the greatest humanitarian stroke of the Congress. It should be continued, not for a term of 60 days, not for a term of another year, but we should go to the defense and the protection of the homes of the Nation. Why, I ask, should we appropriate money for the Army and the Navy? To defend what? Are we defending an oil well or an industry, or are we marching to the defense of our homes and the people that constitute in them the rock upon which the Government is founded? Mr. Chairman, consider this seriously. The homes of this Nation should enjoy the greatest protection from this body. We have no reason to desert them. We should not crawl behind the abuse that has been heaped upon the Home Owners' Loan Corporation by the bankers and the loan companies of this Nation, but rather we should eliminate them and go to the kernel of the nutshell of this proposition and be the defenders, the protectors, and the champion of the homes, and the people in them, of this land. [Applause.]

Mr. Chairman, I am a home lover. I am an old-fashioned home lover, and I stand before you the father of nine children. [Applause.] The loss of a home is a great loss. It disturbs the basic unit of society, it tears the eyes of mothers and it sterner the face of dads, and I intend henceforth to battle for the poorest shack in this country.

Mr. STACK. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Pennsylvania.

Mr. STACK. Who has the power to extend this time?

Mr. RABAUT. This body.

Mr. STACK. Why can we not get together and extend the time, then?

Mr. RABAUT. I think we will extend it. I would hate to see a Representative return to his people and confess to them that he had a part in an activity that discontinued this act which formed a protection around the homes of this Nation.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. Will the gentleman please tell me how in the world an unfortunate man today who is out of a job is ever going to have his home saved?

Mr. RABAUT. I do not know.

Mr. DUNN of Pennsylvania. I know the Home Owners' Loan Corporation does not make provision for a man who owns a home if he cannot guarantee to pay up the principal and interest.

Mr. RABAUT. I am not attempting to make this a charitable activity. I know some people will fail in this regard, but I do not favor transferring the home owner to the mercy of those institutions that passed out on us at a crucial moment, at that moment when the collapse came and the life savings of many were wiped away.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section close in 10 minutes.

The motion was agreed to.

Mr. GREEN. Mr. Chairman, I see no reason why the time should not be extended in order to permit all meritorious cases to apply for loans. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

CATTLE-TICK AND SCREW-WORM CONTROL

Mr. GREEN. Early in this session I introduced H. R. 3020 which provides for funds to continue the cattle-tick eradication program and to initiate a program for the control of the screw worm. These two pests are a great menace to stock, particularly in the States of the South. The screw worm is a comparatively new pest in the States of the Southeast and during the warm months of 1934 did thousands of dollars worth of damage to the stock in my State. There are also serious infestations in Georgia, Louisiana, and other Southern States. It is worse, of course, in the warm months, therefore, the necessity for prompt action to begin a control program before the warm weather sets in. We have been able to obtain approval for the proposed appropriation of the Secretary of Agriculture, the Bureau of the Budget, and, I understand, the House Appropriations Committee will soon favorably present this matter to the House. Funds for tick-eradication work are almost exhausted and we find it necessary for prompt action to appropriate further funds because if the program has to be halted, the tick-free areas in Florida and other infested States, will rapidly become reinfested.

I urge my colleagues to join in the support of these two worthy appropriation items.

FROST WARNINGS

Florida is asking for a small sum to increase the Weather Bureau facilities for the State. It is very important that the Weather Bureau have sufficient funds to carry to the various parts of Florida frost-warning services. This is particularly needed in the Citrus Belt and in the winter-vegetable belt of our State. If properly warned as to approaching cold or frost, the growers, many of them, cover the tender vegetables, thus protecting them from the cold. The fruit growers, many of them, have provided their groves with smudges and other warming devices and with this service will be able to protect their groves against any reasonably cold weather. This frost-warning service is now accorded to the growers of California and Texas and it is only just and proper that Florida have the same facilities. This is a most worthy request of our Florida fruit and vegetable growers. The cost is negligible.

Mr. PIERCE. Mr. Chairman, my object in rising at this time is not with the thought that I am going to change anyone's vote or influence anyone at this stage, but to correct the RECORD and keep things straight so far as the good State of Oregon is concerned.

Yesterday, when the gentleman from New York, Mr. HAMILTON FISH, mentioned a letter written in Oregon in the fall of 1934, I thought he had reference to another incident that happened many weeks earlier. I now find that he had reference to a letter written in Portland on October 29, 1934, which letter may be found in the CONGRESSIONAL RECORD of Thursday, March 7, 1935, at page 3151. This letter is signed by four citizens of Portland, Oreg., who had obtained loans from H. O. L. C.—persons who were in no way connected with any particular organization—and the letter was entirely voluntary. This letter gives great credit to former Congressman General Martin for the part he played in securing the passage of the original H. O. L. C. Act, and these four beneficiaries simply asked the citizens of Oregon to vote for General Martin for Governor. The H. O. L. C. organization was not responsible for the letter and was in no way connected with it. When I think of the fierce, blood-curdling speeches that the gallant Congressman from New York has so often made in this House in regard to Communists, I just wonder if he is not accustomed to "seeing things." This letter was not political nor in any way partisan. It had nothing to do with the Democratic organization or the organization of the H. O. L. C., and nothing that carries the least shadow of a questionable act at all on the part of any person in that organization. If his campaign against the Communists is similar to this, he is certainly concerned about trifles which should have no attention in these strenuous days. It was Shakespeare who coined the phrase "Much Ado About Nothing", and I am grateful to him for it as I apply it to the present activities of our friend from New York.

The management of the H. O. L. C. in Oregon has been a matter of much concern to those interested. My former colleague, General Martin, and myself accepted the first general manager for Oregon, and the entire set-up in the main office was named by that manager, who, we afterward learned, was the choice of mortgage companies interested in this legislation. Many now believe that he was entirely too close a friend of the building and loan associations to be entrusted with so important a position. It is true that perfectly good applications for loans, filed early, were sidetracked for applications that were being pushed by the banks and building-and-loan associations. I do not know the percentage, but I presume that 90 percent of the loans made in Oregon helped some mortgage company or building-and-loan association. They unloaded bad loans which they carried on their books. I am firmly convinced that this entire scheme was born in the brain of the big boys, and the poor, distressed home owner was the screen behind which the holders of millions of dollars of bad loans made by banks, building-and-loan associations, and insurance companies could hide.

The favored ones saw to it that proper appraisers were appointed, and other men occupying key positions were also satisfactory to these interests. When the applications came in they were able to see that the bad loans of the building-and-loan associations and other financial concerns had right-of-way. Their uncollectible loans, amounting to millions, were assumed by the Government and the mortgagees received, in exchange for their rotten paper, tax-exempt Government bonds, fully guaranteed both as to principal and interest. I wish I could believe, as many of you do, that the Department in Washington was entirely blameless. If they did not know, they could have known and they should have known, as it was their business to know. And, if they did not know, they simply lay down on their job, and Mr. Fahey, who has been praised to the clouds in this House, is at least guilty of negligence. He sent his men constantly from Washington, and he and they must have known what was going on, not only in Portland, Oreg., but all over the Nation. His admission before the Rules Committee that 97 percent of all the money loaned by the H. O. L. C. found its way into the coffers of banks, insurance companies, and building-and-loan associations condemns him and proves, to my mind, conclusively, that instead of being an efficient official, laboring in the interests of the distressed home owner, he has simply officiated as the head of the group that plundered the Treasury for millions of Government bonds. I believe future years will find millions in uncollectible loans on the books of the H. O. L. C.

They claim to have discharged 2,116 appraisers. I wonder if it was for incompetence or because those appraisers did not play the game, and were often interested in giving honest valuations instead of looking after the bad loans of the big boys. This talk about politics is camouflage—just simply a screen to hide behind.

Washington ignored our pleas for better organization, for more efficient management, that delays of a year or more be stopped, and that rank favoritism be abolished.

Then in early September 1934, when General Martin was in the heat of his campaign for Governor, suddenly a man from Washington arrived in Portland, Oreg., and removed the State manager and many others, some of whom were highly efficient and were dismissed without a day's notice, much to the consternation of myself and General Martin. Talk about being Democratic politics—my dear colleagues, politics had nothing to do with it, it was simply big business, with its hand in the National Treasury. Those men were kept who could be depended upon to play the game. After this wholesale slaughter in early September, we enjoyed the society of a manager from Tennessee. Yes, a carpetbagger, but a very pleasant gentleman. Then, without consulting with anyone holding a political position, a manager was appointed, who was recommended, I have been told, by the Realty Board of Portland, Oreg.

It is certainly pleasing to know that in some States these H. O. L. C. set-ups have been models of perfection, but how

my colleagues can come into the Well of this House and highly praise this arm of the Government is beyond my comprehension.

Of course, this bill will pass without a record vote. We must accept it because there really are distressed home owners who may get a crumb. It will make a total of four and a half billions of H. O. L. C. tax-exempt bonds, and in lieu of this great obligation the Government will become the owner of four and a half billions of mortgages scattered from ocean to ocean. Now, honestly, what will be the loss? The gentleman from Indiana [Mr. GREENWOOD] estimated a loss of 5 percent. He is certainly an optimist, and would have no difficulty in seeing the doughnut, whether the hole is there or not.

When we used to borrow money from the banks in the good old days of the past, and submitted to the bank a property statement, and admitted in that statement that we had guaranteed somebody's loan, the banker always insisted that we should count that guaranty as a debt, and the banker was usually right. If one guarantees a note for another he usually has that note to pay.

The Government is certainly going to have thousands of homes on its hands. As a Government, we are in the real-estate business right. Add to this four and a half billions, two billions for farm mortgages. Six and a half billions of tax-exempt securities will bring, I estimate, about three billions in losses to the Government. When we in the future talk about the debts of this Nation, we shall, I fear, be obliged to add at least three billions on account of bonds issued for H. O. L. C. and the Farm Credit Administration.

I have heard it stated here in the Well that the R. F. C. was established to unload private debts of the railroads and the banks on the public through the Government. Since I have been here I have often wondered if this might not prove true.

[Here the gavel fell.]

Mr. TRUAX. Mr. Chairman, the question has been asked, How can the home of the unemployed workman be saved? I am attempting to answer that question. Such a man in distress can be saved the same as this Congress saved the farmers of this Nation by the enactment into law of the Frazier-Lemke farm bankruptcy bill, passed on June 15, on the last day of the Seventy-third Congress, by this House and the Senate of the United States.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes; I yield.

Mr. KVALE. Has the gentleman made any effort to prepare such an amendment?

Mr. TRUAX. I have; but I am not sure that it is germane, I will say to the gentleman.

What is wrong with the home owners of this country today? It is the same old trouble of the money-lending Shylocks that not only take away a man's home, but obtain a deficiency judgment against him, and mortgage his future earnings and his future life by such deficiency judgments.

In the farm bankruptcy bill we eliminated deficiency judgments once and for all time. We provided for a scale-down on such a debt to its value today.

I want to point out to you that 10 out of 11 Federal courts of this country have held this bill to be constitutional, and a hearing before the United States Supreme Court will be had the fore part of next month, and my prediction is that this bill will be held constitutional by the United States Supreme Court. Then why should we wait; why should we hesitate and allow these tens of thousands and these hundreds of thousands to have their homes taken away from them? If this economic distress has slain its tens of thousands, the money-lending pirates and buccaneers of this country have slain their hundreds of thousands by their foreclosures and their deficiency judgments. Why should this Congress hesitate? You can protect the unemployed and helpless and small-home owner by the same mechanics and by the same methods.

The hope is expressed by some on this floor that the private banking institutions and the private money-lending institutions will resume their money-lending operations and

that they will again take over the refinancing of homes. I have no doubt in my mind whatsoever that they will never resume these operations. They will never take them over, and the only way that these home owners can save their homes is by Government refinancing and by a 5-year moratorium, the same as we have given the farmers of this country.

I care not whether you increase your funds one and one-half billion dollars or three billion dollars, you have got to stop, once and for all, the damnable money lenders and Shylocks of this country. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

SEC. 6. The Federal Home Loan Bank Act, as amended, is amended by inserting a new section following section 10, to read as follows:

"SEC. 10A. Each Federal home-loan bank is authorized to make advances to nonmember mortgagees approved under title II of the National Housing Act. Such mortgagees must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency, and whose principal activity in the mortgage field must consist of lending their own funds. Such advances shall not be subject to the other provisions and restrictions of this act, but shall be made upon the security of insured mortgages, insured under title II of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Federal Home Loan Bank Board, but no advance may be for an amount in excess of 90 percent of the unpaid principal of the mortgage loan given as security."

Mr. HOLLISTER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: On page 5, line 12, strike out "A" and insert "b."

Mr. HOLLISTER. Mr. Chairman, it is a typographical error that a capital A is in the bill at this point. There is already a section 10a, and therefore this should be section 10b.

The amendment was agreed to.

The Clerk read as follows:

SEC. 7. Section 13 of the Federal Home Loan Bank Act, as amended, is amended by inserting after the word "bank" in the second line thereof the words "and consolidated Federal home-loan bank bonds or debentures."

Mr. BINDERUP. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. BINDERUP: On page 6, after line 3, insert a new section to read as follows:

"SEC. 7. Section 13 of the Federal Home Loan Bank Act, as amended, is further amended as follows: 'Provided, however, That no corporation, organization, or institution which charges a rate of interest of more than 5 percent on its loans, or which pays any of its officers or employees a salary of more than \$3,000 per annum, shall be entitled to participate in any of the privileges or benefits of this act.'"

Mr. STEAGALL. Mr. Chairman, I make the point of order against the amendment that it is not germane to the section.

Mr. BINDERUP. May I ask the gentleman, as a matter of information, why this is not germane to the section.

The CHAIRMAN. The burden is upon the gentleman to show that the amendment is germane. The Chair will hear the gentleman if he cares to offer any argument upon its germaneness.

Mr. BINDERUP. Mr. Chairman, the amendment is germane because it pertains to the entire substance of the bill. It is very difficult to separate the three sections of the Home Loan Act pertaining, first, to the home-loan bank and the Home Loan Corporation and then to the housing provision. This is purely a limitation, that is all.

The CHAIRMAN. Does the gentleman from Alabama wish to be heard on his point of order?

Mr. STEAGALL. No, Mr. Chairman. As we view the matter, the amendment has no relation to the section.

The CHAIRMAN. The Chair is ready to rule.

The Chair believes the amendment of the gentleman is not germane to section 7, but quite foreign to it, and, therefore, sustains the point of order.

The Clerk read as follows:

SEC. 8. Section 19 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following:

"The receipts of the Board, except the receipts arising from assessments upon the Federal home-loan banks, shall be deposited in the Treasury of the United States, and may be from time to time withdrawn therefrom for the performance of the duties of the Board, and such funds other than the receipts from assessments upon the Federal home-loan banks may be expended without regard to the provisions of any other law and shall not be construed to be Government funds or appropriated moneys."

Mr. ELLENBOGEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLENBOGEN: Page 6, line 19, at the end of section 8, insert section to read as follows:

"SEC. 8A. That section 2 (c) of the Home Owners' Loan Act of 1933 be amended to read as follows:

"SEC. 2 (c). The term 'home mortgage' means a first mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than 99 years, upon which there is located a dwelling for not more than 4 families and containing not more than one shop or storeroom, used by the owner as a home or held by him as his homestead, and having a value not exceeding \$20,000; and the term 'first mortgage' includes such classes of first liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.'"

Mr. ELLENBOGEN. Mr. Chairman, this amendment is an amendment to the Home Loan Act passed in 1933. It is an amendment to section 2 (c), which contains the definition of an eligible home. The proposed amendment only adds these few words, "and containing not more than one shop or store."

At the present time a home is eligible that contains not more than four apartments. At the time the act was passed we omitted to expressly provide for a home with a small shop or a small storeroom in the property. At the present time, in most cases, their applications have been held ineligible under the provisions of the act.

I want to repeat that the only change the amendment proposes to make is to make eligible under the terms of the act these homes containing not more than one shop or a storeroom.

I know thousands of home owners who have had their loans declined, because their property contained a small shop or a small storeroom. In many of these cases the applicant, the home owner, was carrying on in that shop a small business—like a cobbler's shop or a small grocery store, or some other commercial activity—and had been living in it as long as 20 years. In spite of that his loan was declined. I hope this Committee will accept this amendment and that my colleagues will support it.

I want to call attention to the fact that a similar amendment was passed by the House last year but it was thrown out in conference.

Mr. CARPENTER. Will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. CARPENTER. I have had a number of instances in my district where the parties appealed to me for relief along the line suggested by the gentleman from Pennsylvania, and I know of no reason why these persons should not have relief that is provided in the gentleman's amendment. I hope the amendment prevails.

Mr. REILLY. Will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. REILLY. Is it not a fact that where the shop is merely incidental to the home that relief is given?

Mr. ELLENBOGEN. The Board in theory has made such a ruling, but the offices throughout the country have thrown such loans out, and the Board in Washington has sustained their rulings. I want an explicit declaration in the law so that there shall not be any question about it.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. Yes.

Mr. RANDOLPH. I am in agreement with the amendment for the reason that I believe we should encourage that person who is trying to bring some income into his home whereby he may pay the loan back to the Government.

Mr. ELLENBOGEN. I thank the gentleman for his suggestion, because a home containing a shop or a store is better security than if it is merely used as a home. I say to

the distinguished gentleman from Wisconsin that if the Board wants this done why not put it in the law; why object to the amendment? I hope the Committee will agree to the amendment.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. Yes.

Mr. MAVERICK. I want to give an example. In my home town, San Antonio, there is a man who sold his home because he was out of a job, and he opened up a small business on Broadway and lived on the place. It is his home. They found out that the combined value of his ice-cream machines, his little restaurant, was slightly more than the portion slept in, or his home, and it was decided he could not make a loan because it was "predominantly commercial." Under the laws of Texas, this is his only homestead. It is the only thing that he has in the world. Some worthless people who have a home and a separate business or job have made loans and do not pay up, but this fellow cannot do it. This is a penalty on thrift. I think if we are going to give relief to the people, especially the small merchant, we have to have that included. We talk about "big business", but we keep a small merchant from existing because of a technicality. Let us give these people relief.

Mr. DORSEY. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I shall gladly yield to my distinguished colleague from Pennsylvania.

Mr. DORSEY. Is it not true that there has not been any uniform regulation of these combined-use buildings, and the purpose of the gentleman's amendment is to clear up that situation?

Mr. ELLENBOGEN. That is the situation. I might say to my colleague from Wisconsin [Mr. REILLY] that in the beginning those homes were held to be eligible by the Home Owners' Loan Corporation but that later they were excluded.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOLLISTER. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Pennsylvania [Mr. ELLENBOGEN] is in error when he states that the presence of a shop or a store necessarily invalidates a loan. The test which is made by the Corporation is whether or not the property concerned is primarily a residence or primarily a business. The Corporation has felt, and it would seem to me properly so, that inasmuch as this is a home owners' loan corporation, a corporation set up for the purpose of assisting home owners, they must in the nature of things limit the relief given to what is essentially a home rather than what is essentially a business. Regulations have been laid down along these lines. Of course, there are many borderline cases, cases where it is difficult to say immediately whether the property in question is more of a business than it is a home or more of a home than it is a business. The Board has informed the committee that there is a special committee of the Home Owners' Loan Corporation sitting in Washington to which these border-line cases are referred. This committee takes these border-line cases and finally decides them, leaning where it possibly can toward giving the relief. If there is any doubt in the mind of the committee, it holds that the building concerned is not essentially a business.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. MAVERICK. I want to give this example, which is the case before the Home Owners' Loan Corporation.

Mr. HOLLISTER. Will the gentleman please ask me a question? I have only a few minutes.

Mr. MAVERICK. We will get his time extended. The point is this: Probably, as a matter of fact, the business property is proportionately worth slightly more than the part in which the man sleeps.

Mr. HOLLISTER. I do not think the test is made in value.

Mr. MAVERICK. Oh, yes; it was in this case, and I can give the gentleman the name of the case. It is the Blue

Bonnet Confectionery, or something like that. It is the only home this man has. Under the constitution of the State of Texas it is his homestead, and yet he cannot make a loan on it and he is paying 8-percent interest.

Mr. HOLLISTER. Mr. Henry L. Doherty, of whom the gentleman has probably heard, lives in a penthouse on top of the Cities Service Building in New York City. That is his only home. Would the gentleman think it was eligible under the Home Owners' Loan Corporation?

Mr. MAVERICK. No; but this is the only home the man has, and it is a small business; and that is construed under the law of Texas as a homestead. It is not a penthouse. Besides, no loan can be made on a value over \$20,000.

Mr. HOLLISTER. After all, we must draw the line somewhere. To try to delineate in any particular legislation the exact place where the line must be drawn as between a residence and a business seems to me beyond the possibility of what this House can do. It seems to me this must be left to the general rules of the Corporation, believing that the Corporation, which is trying to do the best job it can, will so lay down its regulations as to take under its wing all proper cases.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. I had a case where a home owner had a small shop in his storeroom, and he was actually served with foreclosure papers and they wired to Washington and Washington examined the case and rejected it.

Mr. HOLLISTER. I cannot yield further. The only answer I can make to the gentleman is that when you are dealing with 1,000,000 or 2,000,000 applications, there will always be a few cases of unfairness, a few hard cases which you and I or anyone would say should have been covered. The old adage that hard cases make bad law is evident in some of the things we are trying to do here. We must try to lay down certain general limitations and leave it to the regulations of the Corporation to fill up the blanks.

Mr. RANDOLPH. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. RANDOLPH. I believe the real reason why we should place this provision definitely in the law is because of the interpretations which have been placed on rulings up to date. I believe, further than that, that we place a penalty upon the thrifty.

Mr. SABATH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, last year by nearly a unanimous vote a similar amendment was adopted. Unfortunately the conferees failed to agree upon it. I was in hopes that the committee, in view of the vote last year, would embody the provision in this bill. I desire to stand by the committee on this bill, which I am ready to do with a few minor exceptions, and this is one of them.

I consider this an important amendment, an amendment that will eliminate discrimination. I am not ready or willing to rely on the interpretation of some of the appraisers who were in the field or here in the Washington office. We had Mr. Fahey before our committee and examined him on this very proposition. He was under the impression that in a majority of the cases favorable action is had on appeal here to Washington. I think it is manifestly unfair to subject the little fellow, who cannot afford to engage an attorney or assistants, to that additional expense. The purpose of this amendment is to give people who, perchance, may have a small store or a shoe shop or a bakery shop or any other small place of business on a first floor, with 2 flats or 4 flats above, the same privilege that is accorded to the home owner who may not have any such shop or store in his building.

Mr. MAY. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. MAY. Is it not a fact that the possibility of a man's being permitted to have some kind of a commercial enterprise in his home will enable him to earn enough money to

discharge the tax liens and make repairs, and things of that kind, which he might not otherwise have?

Mr. SABATH. That is correct. The gentleman is always right. These loans will be safer than many of those that have been made on mortgages owned by insurance companies or by banks.

Mr. DONDERO. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. DONDERO. What we are trying to do is to protect the man who lives in the back of his shop and runs the front of it for an income, or who lives over the store? He has an income that almost insures the loan. Is that not correct?

Mr. SABATH. That is correct. I recollect the gentleman cooperated with me last year in having that amendment adopted, and I was thankful to him then and I am thankful to him now that he joins with me for such a noble and just cause for relief.

Mr. RANDOLPH. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANDOLPH. I am in agreement with the line of argument which has been presented by the distinguished gentleman from Illinois. I believe the reason we should pass this bill at this time is because as it now stands we place a penalty upon thrift.

Mr. SABATH. Yes. The gentleman is correct.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Is this substantially the same as the amendment which the gentleman offered last year?

Mr. SABATH. Yes; substantially the same amendment.

Mr. BROWN of Michigan. I note that it does not include the word "store." I think it should be amended to include the word "store."

Mr. SABATH. I think it does include the word "store." At least I suggested to the gentleman to put the word "store" in there.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SABATH] has expired.

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent that the amendment be amended in line 10, after the word "shop", to include the word "store" and a comma, so that it will read "shop, store, or storeroom."

Mr. ELLENBOGEN. Mr. Chairman, I accept the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. BROWN]?

There was no objection.

Mr. SWEENEY. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the distinguished member of the Committee on Banking and Currency, Mr. HOLLISTER, who addressed the House a few moments ago, stated he thought this matter should be one of regulation vested in the Board. I should like to take sharp issue with that statement. Here is a golden opportunity for the Members of this House to right a wrong. When we started to investigate the activities of the Home Owners' Loan Corporation or tried to do so, at least, my mail was deluged with complaints from those who claimed they were discriminated against because they had a small store, a butcher shop, or a barber shop, or something like that. In the district of the gentleman from Pennsylvania [Mr. Crosby] there is a typical case which I should like to cite. Down the road on the Lincoln Highway a young man has a stand where he caters to tourists; he sells soft drinks and sandwiches.

He operates that stand 7 months of the year, but lives there all the year around. He made an application for a home owner's loan. It is his only home. The application was denied. One mile down the road another man operates a beer parlor all the year around, lives there, and he secured a loan.

I have had evidence presented to me of cases where loans were made on greenhouses and hotels. Why the discrimination against the man who is barely making a living by conducting a small business? You allow a man to get a loan on his home if he is in distress—a man who operates

a truck, or works on docks, or works on the railroads; a man who makes more money sometimes than the man struggling along trying to run a butcher shop or a barber shop. I do not believe the decision should be left with the Board, because the Board will not carry out equitable means of giving relief to distressed owners in this class of cases.

I have a letter in my files from a member of the legal staff of the Home Owners' Loan Corporation in Washington in which he wrote to a constituent in Ohio that the interpretation of homestead—that is, whether a business and dwelling combined would fall within that classification—is left in the final analysis to each State manager. This means you have 48 different kinds of interpretations as to what constitutes a homestead; and unless you adopt the Ellenbogen amendment or some amendment like it you are going to have a continuation of 48 State managers deciding from political viewpoints primarily what constitutes a homestead.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. ELLENBOGEN. At the present time the employees in the district offices are afraid to accept stores and homes combined because they are afraid of being separated from their jobs if they displease the home office.

Mr. SWEENEY. There is no question at all about that.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. BROWN of Michigan. The gentleman understands that this amendment is still subject to the \$20,000 limitation?

Mr. SWEENEY. I understand that.

Mr. BROWN of Michigan. No loan may be made in excess of that amount?

Mr. SWEENEY. That will not affect the class of people I am speaking about, for most of these applications will be well below \$20,000 appraisal; most of them will come from small merchants, whose places of business are attached to the dwellings.

Mr. GRAY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. GRAY of Pennsylvania. If the gentleman will permit, I call his attention to another instance in my district, the case of a man and his wife who owned a home which had a little store in it but which was not being used by them. They made application for a loan. In the meantime, in order to try to preserve their home, they had to earn their living and moved to New Jersey from Pennsylvania. They got word from the Home Owners' Loan Corporation in the district that inasmuch as they had moved to New Jersey no action could be taken on the loan, but that if they would return to their home town in the district the loan would be granted. These people moved back to their home and then were refused a loan because their building had a little storeroom in it.

Mr. SWEENEY. There are hundreds of cases similar to the one pointed out to the House by the gentleman from Pennsylvania. Unless this Congress has the intestinal fortitude I think it has to write into the law positive direction about some of these things, the same difficulties will be experienced all over again.

[Here the gavel fell.]

Mr. ROGERS of New Hampshire. Mr. Chairman, I rise in favor of the amendment, and for this reason: It seems to me that while we discuss the great problems of capital, of labor, of producer, and consumer we are too likely to forget that the fundamental principle on which we must ultimately expect to bring back national recovery in this country rests in the hope, the spirit, and the patriotism which are instilled into the hearts, the minds, and the soul of the American citizens in the American homes. [Applause.]

When we talk about homes we must, in many cases, include therein shops, stores, and offices, which are just as much a part, or may be just as much a part, of the American home

as the bedroom, the kitchen, or the dining room itself. For myself, I had the honor of being born on a farm in New Hampshire, a farm upon which horses, cows, and pigs were raised. Dwelling house, shed, and barn on that farm were connected, were part of the same structure; yet my mother and father and my grandparents lived in the home on that farm, on which horses and oxen were used to carry on the work. The same principle applies to a home which has in it a shop, a store, or an office. In order that there may be no discrimination, I think we should unanimously adopt the amendment which has now been offered to correct the abuses which have resulted under the previous construction of this act. [Applause.]

[Here the gavel fell.]

Mr. Sisson. Mr. Chairman, I ask unanimous consent that the gentleman from New Hampshire be granted 1 additional minute in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. Sisson. Will the gentleman yield?

Mr. ROGERS of New Hampshire. I yield to the gentleman from New York.

Mr. Sisson. May I ask the gentleman if he has considered the fact that the amendment which he is supporting will have no efficacy unless the bill as now reported is so amended as to provide additional time for the filing of application?

Mr. ELLENBOGEN. Will the gentleman yield to me to answer the question?

Mr. ROGERS of New Hampshire. I yield to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. The gentleman from New York is mistaken because there are thousands and thousands of applications in the files which have been rejected, and if this amendment is agreed to they could be brought up and reconsidered.

Mr. ROGERS of New Hampshire. I think that statement clearly shows the intent of Congress in the matter.

Mr. SADOWSKI. Mr. Chairman, I offer a substitute amendment, which I send to the desk.

The Clerk read as follows:

Substitute amendment offered by Mr. SADOWSKI for the amendment offered by Mr. ELLENBOGEN: Subsection (c) of section 2 of the Home Owners' Loan Act of 1933 is amended by striking out the period at the end of the paragraph and inserting in lieu thereof a colon and the following: "Provided, That nothing herein contained shall be construed to define a homestead in such a way as to eliminate a home which contains a store or stores or any place of business but which in all other respects is the homestead of the mortgagor."

Mr. SADOWSKI. Mr. Chairman, I offer this substitute amendment because it will take care of more cases than is covered by the other amendment. I have in my district a lot of homesteads built on 30-foot lots which contain 2 stores and 5 or 6 living rooms. That is all the man owns. It is in every sense of the word a homestead. It is his home.

Under the amendment as offered by the gentleman from Pennsylvania, that sort of a homestead would be eliminated. He should be given every consideration because that is his homestead and it should come in under this act.

Mr. FITZPATRICK. Under the amendment they could rent the store?

Mr. SADOWSKI. They could rent the store, but it would still be his homestead.

Right now the interpretation is different in every State. The State manager in one State may say that a homestead containing one store is a homestead. In another State he will rule that out. This should be equalized so that it is the same all over the country. In the past certain State managers throughout the country have been able to eliminate homesteads on the ground that the home was incidental to business. That is not the case. The business is incidental to the home. When a man has a little grocery store or barber shop, even if he is renting out a small part of the store for another business, it is still his home, and the business is inci-

dental to the homestead. He should receive aid and assistance under the Home Owners' Loan Act.

Mr. Chairman, the amendment which I offer is very sensible. It still leaves a certain amount of discretionary power in the Home Owners' Loan Corporation. At present section 2 (c) reads as follows:

(c) The term "home mortgage" means a first mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than 99 years upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead and having a value not exceeding \$20,000; and the term "first mortgage" includes such classes of first liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

The amendment reads:

Provided, That nothing therein contained shall be construed to define a homestead in such a way as to eliminate a home which contains a store or stores or any place of business but which in all other respects is the homestead of the mortgagor.

This amendment has a lot of sense and merit to it, and I think should be adopted.

Mr. DONDERO. Will the gentleman yield?

Mr. SADOWSKI. I yield to the gentleman from Michigan.

Mr. DONDERO. Does not the gentleman mean to include in his amendment the word "vendee" under a land contract as well as the mortgagor of a business property? Unless the gentleman does that he will exclude a large number of people in Michigan and other States.

Mr. SADOWSKI. The Home Owners' Loan Corporation has given that interpretation in Michigan.

Mr. DONDERO. That that class would be considered the same as other mortgagors?

Mr. SADOWSKI. Yes.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this presents a complete departure from the purposes underlying the Home Owners' Loan Corporation legislation. There is a twilight zone between property that is essentially residential and property in which the commercial or business use to which it is devoted predominates. The Board of the Corporation assured the committee considering this legislation that the test applying in cases of applications of this type was to ascertain the predominating purpose and use to which the property was devoted. If it was found that the principal use of the property was as a domicile, the loan would be eligible so far as the character of the property offered in the mortgage is concerned. On the contrary, if the commercial or business use to which it is devoted constituted the chief characteristics of the use made of the property it would be excluded for that reason.

Mr. Chairman, under this amendment any store, shop, or storeroom, or any business piece of property coming within the definition, regardless of its value, would be eligible for a loan and would be automatically thrown into the eligible class. It would be the duty of the Board to consider it the same as they would the application of any individual home owner in the land endeavoring to secure a mortgage upon a piece of property used exclusively as a domicile. In that situation a man owning one of the thousands of commercial houses and business properties that are unfortunately out of use at this time could by installing any pretense of home equipment and furniture and, as the language of the amendment says, "make it his homestead", would be eligible for a loan under this act.

Gentlemen say I am in error when I state that this would apply to property regardless of value; but I am entirely correct in my statement because, while the original Home Owners' Loan Corporation Act excluded applications for loans on homes in excess of a valuation of \$20,000, amendments to the act have taken off the limitation as to value.

Mr. ELLENBOGEN. The gentleman is mistaken about that.

Mr. STEAGALL. So that any storehouse in which the owner installed equipment or furniture and treated it as a

home would be automatically eligible for loans under this amendment.

Mr. SABATH. No; the limitation would apply.

Mr. STEAGALL. This amendment would invite abuses. The Board advises our committee that in its judgment the Board would be flooded with applications that are not essentially and fundamentally applications for the relief of bona fide home owners and home occupants.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 2 more minutes, so that I may yield for questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Do I understand from the gentlemen's argument that if the language were cleared up so that the \$20,000 limitation would apply the gentleman would have no objection?

Mr. STEAGALL. Oh, no; the principle would be the same. I called attention to that, however, to point out the defects in this amendment which evidently have been overlooked, and which shows the difficulty of undertaking to legislate on the floor in matters so technical, where we must act in haste and without full opportunity for discussion and consideration.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Kentucky.

Mr. MAY. Waiving the question of dual use of the property as a home and as a business enterprise combined, the gentleman will agree with me that under the law of every State in the United States taxes are a first lien against the property, and the gentleman will also agree with me that when you apply to this Corporation for a loan you are always required to pay your taxes, procure fire insurance, and cyclone insurance.

Mr. STEAGALL. The gentleman is entirely in error.

Mr. MAY. Oh, no; I have had the experience.

Mr. STEAGALL. I am speaking of the law. I do not know about the experience of the gentleman. The law provides for taking care of liens and taxes, as well as the debt owed by a distressed mortgagee.

Mr. MAY. And in addition to that, this has to be done every year for 15 years, if your loan runs that long. Why would it not be good business policy to grant a loan on a place that is a combination enterprise, such as a home upstairs and a business place downstairs?

Mr. STEAGALL. Oh, it may be a good business proposition to relieve any distressed mortgagor or to remove all mortgages off of all the real estate in the United States, but what we are attempting to do by this particular legislation is to use funds out of the Federal Treasury for the purpose of preventing the foreclosure of homes, so that our citizens and their families may not be turned into the highways without shelter. We ought not to depart from that principle in this legislation.

Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent to proceed for 1 minute in order to call the attention of the distinguished gentleman from Alabama to a statement which he has made.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Chairman, surely the gentleman from Alabama, the distinguished chairman of the committee, does not want to inform the House that there is any law that removed the limitation of \$20,000 on a home. As the Home Owners' Loan Act now stands, there are two limitations: First. A loan cannot exceed \$14,000, and, second, the appraised value of the home cannot exceed \$20,000. These limitations are not affected by my proposed amend-

ments, and I believe the gentleman from Alabama should admit this.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Michigan.

Mr. FITZPATRICK. Mr. Chairman, may we have the original amendment and then the proposed substitute amendment again read?

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk again read the Ellenbogen amendment and the Sadowski substitute amendment.

The CHAIRMAN. The question is on the substitute amendment.

Mr. DUNN of Pennsylvania. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. DUNN of Pennsylvania. The gentleman from Alabama moved to close all debate. Was it on the amendment or on the section?

The CHAIRMAN. It was on the amendment and all amendments thereto.

Mr. BUCHANAN. And not on the section.

The CHAIRMAN. Not on the section. The question is on the substitute offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. DUNN of Pennsylvania) there were—ayes 26, noes 78.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New Jersey [Mr. ELLENBOGEN].

The question was taken; and on a division there were—ayes 95, noes 48.

So the amendment was agreed to.

Mr. BUCHANAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 6, strike out lines 11 to 19, inclusive, and insert the following:

"On and after July 1, 1935, the receipts of the Board shall be deposited in the Treasury of the United States, and there is hereby authorized to be appropriated to defray the expenses of the Board as authorized by law such amount as may be necessary."

Mr. BUCHANAN. Mr. Chairman and gentlemen of the Committee, all amendments heretofore offered have been enlarging amendments. This is a restrictive amendment on the power of the Board to get money and not account for it.

If you gentlemen of the Congress desire to hold control of this superboard, you must insist on making appropriations for administration of it at every session of Congress. When you realize that the Board, under this language, can assess any amount of money on these subsidiary corporations and organizations they see fit, in their judgment, to levy, it seems to me that the Congress should be informed about it.

Let me explain the reason I am doing this is because in following out my duty as Chairman of the Committee on Appropriations I should bring to the attention of the House any bad monetary administration set up by any legislative bill, and it matters not what it may be.

The Federal Bank Board is a superboard. Its functions are to control and supervise the Federal home-loan banks, and there are 12 of them, in 12 districts; to control and supervise the Home Owners' Loan Corporation; to control and supervise the Federal Savings and Loan System; and to control and supervise the Federal Savings and Loan and Insurance Corporation. The Federal Government has contributed so far in cash approximately \$125,000,000 to purchase stock in the home-loan banks and in addition the privilege to issue bonds of that system, which can be purchased both by the H. O. L. C. and by the Treasury. The Federal Government has contributed \$200,000,000 in cash to subscribe to stock of the Home Owners' Loan Corporation. It has contributed \$50,000,000 in cash to the Federal Savings and Loan System for investment in stocks of the various Federal savings and loan associations and has permitted \$100,000,000 in bonds of the H. O. L. C.—which the Government guarantees both as to principle and interest—to be marketed to provide funds for the Federal Savings and Loan

Insurance Corporation to operate. None of that money has been paid back. Do you not think that the Congress owes it to the people to keep supervision of all of the administrative expenses of this superboard? How can it do it? What is the law? The law authorizes this Home Loan Bank Board to levy a proportionate share of its administrative expenses in the form of assessments upon each one of these separate and distinct organizations. The permanent appropriation bill that we passed last year stopped that, so far as the Federal home-loan banks are concerned, and the bill we passed a few days ago carried \$264,000 for administrative expenses of the Home Loan Bank Board. That action in placing those assessments under annual control was correct, and the same principle ought to apply to assessments levied on these separate corporations and organizations, so that every year this superboard will have to come before the Committee on Appropriations and give an account of its stewardship of its administrative expenses. That supervision should be continued at least until the Government has been paid back its money and these institutions become private institutions or acquit all their financial obligations to the Government.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. HANCOCK of North Carolina. I am impressed with the argument the gentleman has made. I want to know whether he would be willing to let this same law apply to the Federal Reserve System?

Mr. BUCHANAN. I most certainly would, but there is a distinction between the Federal Reserve System and this. If we do not stop forming corporations and giving them carte blanche to spend money, we will soon have a Government run, and its powers controlled, by soulless corporations throughout this country. This Congress should maintain supervisory authority to investigate the need for every dollar of public money that goes through the hands of any Government corporation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HANCOCK of North Carolina. The gentleman has not answered my question.

Mr. BUCHANAN. Here is the distinction between this Board and the Federal Reserve System. The Federal Reserve System or the Federal Reserve banks do not owe the Government anything. In fact, the Government owes them. Every cent of money they have invested is their own and any assessment made on a Federal Reserve bank or a member bank by the Federal Reserve Board comes out of the bank's private money. The Government has no direct interest because they owe the Government nothing. But I would even vote for a similar amendment on that. No organization, unless they have something to hide, should object to coming to Congress and presenting their case.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. SWEENEY. Has not the Government an investment of \$114,000,000 in the Federal Reserve?

Mr. BUCHANAN. No; not in the member banks.

Mr. SWEENEY. In stock investment?

Mr. BUCHANAN. Oh, the gentleman means this last thing?

Mr. SWEENEY. No; when we first established the System.

Mr. BUCHANAN. Oh, that has been paid off. They may owe the Government something on capital stock since the depression, and if they do, then let us put a similar amendment on the statute books in respect to them.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. MAY. Do I understand the gentleman from Texas to say that the four loaning or insuring agencies under the

supervision of the Federal Home Loan Bank Board are spending hundreds of thousands of dollars and perhaps millions of dollars without any accounting made of it to anybody, even to the General Accounting Office or otherwise?

Mr. BUCHANAN. I say that under this bill, with the exception of assessments levied on the Federal home-loan banks for administrative expenses, they can assess what they please and spend what they please and it is declared by this bill not to be public money or appropriated money. Just listen to this. Let me read to you the section that I have moved to strike out. It is section 8, on page 6:

The receipts of the Board, except the receipts arising from assessments upon the Federal home-loan banks shall be deposited in the Treasury of the United States, and may be from time to time withdrawn therefrom for the performance of the duties of the Board, and such funds other than the receipts from assessments upon the Federal home-loan banks may be expended without regard to the provisions of any other law and shall not be construed to be Government funds or appropriated moneys.

Pass that and you will have lost control of the administrative expenses of that superboard, except those which come from just one group of the four organizations.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. FIESINGER. In addition to the \$200,000,000 the Government guarantees these bonds up to \$4,500,000,000?

Mr. BUCHANAN. Why, certainly, guarantee the bonds and interest.

Mr. FIESINGER. And if there are any losses on that, the Government stands that?

Mr. BUCHANAN. Certainly. I hope the chairman of the committee will accept this amendment.

Mr. RAMSPECK. Will the gentleman yield to me?

Mr. BUCHANAN. I yield.

Mr. RAMSPECK. Is it not true that under this section which the gentleman is seeking to strike out they handle millions of dollars of the Home Owners' Loan Corporation, with a spread of 2 percent on \$4,500,000,000 worth of bonds, and do not account to anybody for that?

Mr. BUCHANAN. I would not go that far.

Mr. RAMSPECK. I mean they are not subject to accounting by the General Accounting Office?

Mr. BUCHANAN. The President issued an Executive order last year putting all these institutions under audit by the General Accounting Office. Another provision of this bill will come up later, whereby this bill takes the Federal Saving & Loan Insurance Corporation out from under the auditing authority of the General Accounting Office.

Mr. CONNERY. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CONNERY. I want to get clear the purpose of the gentleman's amendment. The gentleman wants to bring this back for accounting through the Appropriations Committee? Is that it?

Mr. BUCHANAN. Through the Appropriations Committee of this House and this Congress.

Mr. CONNERY. Instead of giving them carte blanche?

Mr. BUCHANAN. Absolutely.

Mr. CONNERY. I think the gentleman is right.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CRAWFORD. In explanation of the contributions which the Government has made, does that represent cash contributions?

Mr. BUCHANAN. Cash contributions.

Mr. CRAWFORD. For stock in these associations?

Mr. BUCHANAN. For stock in these associations and by direct appropriations, too.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BUCHANAN] has expired.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BUCHANAN].

The amendment was agreed to.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: Page 6, line 19, after the word "moneys", insert a new section to be known as section 8 (a), as follows:

"The seventh sentence of section 4 (d) of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows: 'As used in this subsection, the term "real estate" includes only real estate consisting, in the case of suburban property, of not more than 10 acres, held in fee simple or on a leasehold (1) under a lease for not less than 99 years which is renewable, or (2) under a lease having a period of not less than 50 years to run from the date the mortgage was executed, upon which there is located a dwelling for not more than four families used by the owner as a home or held by him as a homestead and having a value not exceeding \$20,000.'"

Mr. STEAGALL. Mr. Chairman, I reserve a point of order.

Mr. ELLENBOGEN. I reserve a point of order. I make the point of order, Mr. Chairman.

Mr. MARTIN of Colorado. I trust the gentleman will reserve his point of order.

Mr. ELLENBOGEN. I reserve the point of order.

Mr. MARTIN of Colorado. Mr. Chairman, the Committee, in my judgment, has just made two very beneficial improvements on this bill, and I was heartily in favor of and voted for both of them. I just want to give the Committee a chance to make a third beneficial amendment.

The amendment I have just offered would really be a companion amendment to the one I offered earlier in the day defining "home mortgages" so as to include rural or suburban tracts not exceeding 20 acres. The argument I made on that amendment applies to this one. That amendment, as I pointed out to the committee, was intended to fill in a twilight zone between the 2-acre tracts as applied to homes and the minimum limitation of 20 acres as applied to farms. I have, however, made this concession to the Committee in the pending amendment, I have struck out the word "rural" and left in only the term "suburban"; and I have reduced the limitation from 20 acres to 10 acres. So that if my amendment is adopted, the only change it will make in existing law will be that real estate will be defined to include a suburban tract of not exceeding 10 acres upon which a home loan may be made.

As I pointed out to the Committee previously, there is nothing in this amendment peculiar to my district or to my county or to my home town; it applies to every district, to every town, and to every city in the United States.

I call attention to the further fact that the vast majority of these suburban tracts which are not now eligible for a home loan are occupied by mechanics, workers, office clerks, small professional men, lawyers, and doctors who perhaps make a living in the city but live in the suburbs, people who have their homes on these small tracts which are barred of the privilege of the home-loan law simply because the excess acreage over 2 acres is not considered in the appraisal and, therefore, the amount of loan which could be made on the 2 acres is insufficient to refinance the indebtedness against the entire tract.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. FIESINGER. I may have misunderstood the gentleman; is the limitation 20 acres or 10 acres?

Mr. MARTIN of Colorado. The limitation in this amendment is 10 acres. I have also stricken out the word "rural" which was in the other amendment; so that it is limited to 10 acres and to suburban tracts. Of course, if my amendment were adopted, in order to make it effective we should make the same changes in the home-mortgage section of the Home Loan Act of 1933, but that would be a very simple matter.

If you adopt this amendment, you are going to open the loan privilege to many thousands of needy and deserving people who occupy such tracts adjacent to every town and city in the United States.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. BOYLAN. Why cannot these individual owners make application now if they are on these tracts? What is to prevent them from making individual applications?

Mr. MARTIN of Colorado. I am talking about individual owners; I am not talking about property held jointly or by a colony; I am talking about the workingman, the clerk, the small doctor, lawyer, or little business man who occupies the 5 or 10 acres but whose property is not eligible for a home loan because the Home Loan Corporation will consider only 2 acres adjacent to the house and disregard the rest of it in the matter of appraisal. The adoption of this amendment will enable such an individual to refinance his indebtedness.

Mr. BOYLAN. The gentleman's amendment covers the case of a man who has one house on a tract of ground of 10 acres or less, and not several houses.

Mr. MARTIN of Colorado. Just one house on a suburban tract.

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I rise in opposition to the amendment without waiving the point of order which has already been reserved.

Mr. Chairman, I understand that the class of property owners referred to by the gentleman from Colorado is now eligible for loans. I would like to repeat a statement made to me this afternoon by Mr. Fahey, the Chairman of the Home Loan Board, which was that there are no property owners occupying a twilight zone, as contended by the gentleman offering this amendment, not eligible to a loan either from the Farm Credit Administration or from the Home Loan Corporation. There has been set up a joint committee representing the Farm Credit Administration and the Home Owners' Loan Corporation to which all applications for loans are filed where there is doubt as to which agency of the Government should handle them; and since the setting up of this joint committee these difficulties now referred to are being handled satisfactorily to both the agencies and the borrowers.

The further statement was made to the effect that the Farm Credit Administration admits that, with regard to the law under which it operates, there is a weakness in the sense that to be acceptable as security for a loan the property must be productive to the extent of insuring upkeep and repayment.

In other words, in your experience you have found that the Farm Credit Administration, in the making of a loan, will not act favorably upon an application unless it be made to appear that the property produces sufficiently to enable the borrower to meet the charges made against him under the loan. I am told that the Farm Credit Administration concedes that in that respect the law needs to be amended and has stated that it will come in and ask Congress for an amendment to that effect. With that amendment certainly there will be no necessity whatever for the adoption of the pending amendment, particularly since the class sought to be protected under the amendment is already being taken care of by this joint committee or commission which I have referred to, being the creature of the two agencies of the Government, the Farm Credit Administration and the Home Owners' Loan Corporation.

Mr. MARTIN of Colorado. May I ask the gentleman what this proposed amendment, that he says is coming in, will do? What will the amendment be?

Mr. COX. This will involve a repetition of what I have already stated.

Mr. MARTIN of Colorado. Will it take in the twilight zone in acreage between 2 acres and 20 acres?

Mr. COX. Yes; if classified as a farm it will, and under the existing conditions where there is difficulty in making classifications, the whole matter is being handled entirely satisfactory to the borrower by this joint committee.

Mr. MARTIN of Colorado. May I say to the gentleman that there would not be any difficulty identifying or classifying a suburban tract. We know what "suburban" means. That has a fixed definition. Why not specify a suburban tract of not to exceed 10 acres and classify that as a home?

There would not be any difficulty in administering a provision of that sort.

Mr. COX. There is in the present law no limitation as to acreage. The gentleman comes in with an amendment intended to liberalize the law but which does fix a limitation.

Mr. MARTIN of Colorado. There is a limitation in the regulation and the application of the law, I may say to the gentleman, just as conclusive as a law.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I withdraw my point of order.

Mr. ELLENBOGEN. Mr. Chairman, I withdraw my point of order and offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLENBOGEN to the amendment offered by Mr. MARTIN of Colorado: After the word "family" insert "and containing not more than one shop, store, or store-room."

Mr. ELLENBOGEN. Mr. Chairman, the purpose of my amendment is simply to make the amendment of the gentleman from Colorado [Mr. MARTIN] consistent with my prior amendment adopted by the House. I believe the gentleman from Colorado [Mr. MARTIN] will accept my amendment.

Mr. MARTIN of Colorado. Mr. Chairman, I accept the amendment offered by the gentleman from Pennsylvania [Mr. ELLENBOGEN], because I would not want to disturb his amendment in any way. I am very much in favor of the amendment.

Mr. ELLENBOGEN. The amendment offered by the gentleman from Colorado is a very good one and should be adopted.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Pennsylvania [Mr. ELLENBOGEN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. MARTIN], as amended.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 68, noes 72.

So the amendment as amended was rejected.

The Clerk read as follows:

Sec. 9. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) In order to provide for applications heretofore filed the Corporation is authorized to issue bonds in an aggregate amount not to exceed \$4,500,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds, and the Corporation is further authorized to increase its total bond issue for the purpose of retiring an amount of its outstanding bonds equal to the amount of the increase; such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this clause shall have a maturity date later than 1952: *Provided further*, That the total bond issue shall not be increased by the amount of any bonds retired from the proceeds of the collection of principal on loans."

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HANCOCK of North Carolina:

"Section 9 is amended to read as follows:

"Sec. 9. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) In order to provide for applications heretofore filed, and for applicants who in good faith prior to the date this amendment takes effect sought relief by formal application, letter, or otherwise, who file their applications within 60 days after this amendment takes effect, the Corporation is authorized to issue bonds in an aggregate amount not to exceed \$4,750,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds, and the Corporation is further authorized to increase its total bond issue for the purpose of retiring an amount of its outstanding bonds equal to the amount of the increase; such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this

clause shall have a maturity date later than 1952: *Provided further*, That the total bond issue shall not be increased by the amount of any bonds retired from the proceeds of the collection of principal on loans."

Mr. HANCOCK of North Carolina. Mr. Chairman, ladies and gentlemen of the Committee, this amendment is presented as a committee amendment. It does not represent, however, the unanimous consent of the Committee on Banking and Currency; but a majority of the committee approved the amendment at an executive meeting held this morning. It represents the majority view of your committee in reference to a proper solution of this perplexing problem. As I stated a while ago, section IX is the heart of this bill. In considering this amendment, which is a redraft of section IX of the printed bill, we are called upon to make an important decision. From the debate, it is quite evident that sentiment in the committee is sharply divided as to how much further the Corporation should go in refinancing mortgages. In view of the testimony of the officials of the Corporation that the amount stated in the bill would very probably take care of all eligible applications now on file, we could not in good faith make other applications, which may be later filed, eligible without increasing the bond authorization. I have no fault to find with those who disagree with my view.

I sincerely believe that all of us are devoted to the crusade in which this Corporation has been engaged. Personally, I would much prefer erring on the side of extreme consideration for the distressed home owner than on the principle of being even sound in my judgment. It is my best judgment, however, that this amendment offers the best solution of our problem, all things considered. In the light of the divergent views expressed here today, no one person can hope to have his view incorporated into the law, and it is imperatively necessary that we reach some compromise. If I did not conscientiously believe that there is merit in the amendment, I would not be standing here sponsoring it. Of course, if the membership desires to open the doors of the Corporation so as to include applicants who have not heretofore sought relief of the Corporation, this amendment should not be adopted.

If a majority of the Members, however, feel that, in keeping with the administration's wishes and its desires to taper off the activities of the Corporation, mortgage relief should be extended only to those who made an effort in one way or another to secure a loan but were blocked by representations of officials of the Corporation that no further loans would be made, this amendment would seem to fully protect every one of those cases.

Personally, I have not been willing to accept the language of the section as written in the bill, because I know that there are thousands of worthy cases which were cut off because of no fault of their own and who have no other means of saving their homes. On the other hand, I recognize that it would be gravely dangerous at this juncture of the governmental situation to take any action which would contemplate continued unlimited activity on the part of the Corporation. I tried yesterday as best I could to explain my philosophy of the mortgage situation and why I felt that it was necessary that we proceed slowly and cautiously in the matter of direct lending at this time. It is pretty alluring and attractive to any man to vote relief of any kind to people who are in distress. There is a limit, however, to which any government can go, and in my opinion we are fast approaching the deadline in this country.

We should not forget that the Corporation now owns approximately 25 percent of all the urban mortgages in this country and that 95 percent of all the bonds that have been issued have found their way into the big financial lending institutions. In other words, regardless of the precautions that have been taken by the officials of the Corporation, many a dollar in bonds has gone to bail out mortgages from institutions which were amply able to carry them along.

With the authorization provided in this amendment, it is believed that all the eligible applications now on file and all additional applications which could qualify under the language of the amendment could be adequately cared for.

When we have done this, we believe we should call a halt and give the private institutions an opportunity to resume their normal lending activities. Unless this is done, I fear the future of every thrift and home-financing institution in America.

Please realize that it is not the disposition of the committee or myself to impose any view on the House contrary to their conscientious judgment. It is your problem to determine after you have been given all the information which came to us as members of the committee. We offer this amendment in absolute good faith, and we believe, based on the testimony and information which has been furnished to us, that it will enable the Corporation to go as far as it can safely go at this time. Let me remind you that in the week prior to the stop order, applications had dwindled to around 6,000 a week. At the same time the ratio of ineligible applications increased materially. This is convincing to me that if you open wide the doors and extend indefinitely the life of this Corporation, millions of people not in distress will seek to take advantage of this legislation by dumping their obligations in Uncle Sam's lap. The further we go the harder it will be to stop, and I appeal to you in the name of what I believe to be best for our country to adopt this amendment.

[Here the gavel fell.]

Mr. Sisson. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may have 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. Sisson. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I gladly yield.

Mr. Sisson. I just want to make sure that I understand, and that the House understands, the effect of this amendment. To illustrate it concretely: Am I correct in assuming that one who now files an application at any time within 60 days after the passage of this act, the question of whether that application shall be received or acted upon is within the discretion of the Home Owners' Loan Corporation administration?

Mr. HANCOCK of North Carolina. That interpretation is correct to the extent that the Corporation would have the right to determine whether the applicant had, prior to the enactment of this act, sought relief of the Corporation.

Mr. Sisson. Am I also correct in assuming that an applicant who has not heretofore filed his application is not entitled, as a matter of right, to have his application passed upon, but rather it must be determined within the discretion of the Home Owners' Loan Administration whether he has, in good faith, attempted heretofore to file an application.

Mr. HANCOCK of North Carolina. It would not be altogether in the discretion of the Corporation; but the Board would, of course, in doubtful cases have to pass on the question of the applicant's having sought relief prior to the effective date of this act.

Mr. BROWN of Michigan. If the gentleman will permit; I think the gentleman is a little incorrect in his answer to our colleague on the committee. If an application is filed under the amendment of the gentleman from North Carolina at any time prior to the effective date of this act, it may be acted upon.

Mr. Sisson. No.

Mr. BROWN of Michigan. If an application is made by letter, or otherwise, under this amendment, prior to the effective date of this act, then the application may be considered. This is the language of the amendment.

Mr. Sisson. May be, but not must be.

Mr. KOPPLEMANN. Will the gentleman from North Carolina answer that question?

Mr. Sisson. The applicant is not entitled to it as a matter of right.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I gladly yield.

Mr. FITZPATRICK. The gentleman answered a question of mine when he had the floor a short while ago, that the new applications made after the enactment of this act would be refused unless they had previously communicated with the Corporation. That was the gentleman's statement.

Mr. HANCOCK of North Carolina. Now, let me make it as clear as I can. My understanding is that under this amendment any person who files an application at any time within 60 days from the effective date of this amendment, such application would be eligible for consideration by the Corporation, provided that such person had, prior to the effective date of this act, sought relief of the Corporation either by formal application, letter, or otherwise.

Mr. Sisson. I think that is a fair answer as far as it goes. But will the gentleman answer this question: Is it not a fact that under this amendment it is within the power and discretion of the Home Owners' Loan Corporation to determine, as a question of fact, whether the applicant has in good faith hitherto sought relief of the Corporation?

Mr. HANCOCK of North Carolina. No; not entirely, I will say to my good friend from New York; because it is my judgment that any applicant who had written a letter to any State agency of the Corporation would be qualified under this amendment; and it even goes further than that—because we use the term "or otherwise." I think that the writing of a letter or any formal action of that kind would be conclusive as to the right of a person to have his application passed upon, provided it was filed within 60 days from the effective date of this act.

Mr. FITZPATRICK. Assuming a man has not communicated with the Corporation up to the enactment of this act, but after its enactment makes an application, under the gentleman's amendment he could not receive a loan?

Mr. HANCOCK of North Carolina. He could not, under my interpretation.

Mr. FITZPATRICK. Then that eliminates all new applications after the enactment of this act except those who have communicated with the Corporation previous to the enactment of this act?

Mr. HANCOCK of North Carolina. If the House adopts this amendment, as I have said before, no application would be eligible, regardless of when it was filed, unless the applicant had sought relief of the Corporation at some time prior to the effective date of its enactment. I certainly hope that I have made the question of eligibility perfectly clear.

Mr. FITZPATRICK. Why not take the restrictions off and give them 60 days from the enactment of the act?

Mr. HANCOCK of North Carolina. That is a matter entirely in the discretion of the House.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I offer a substitute amendment, which I have sent to the Clerk's desk.

The Clerk read as follows:

Page 6, line 24, after the word "filed" insert "and for applicants who file their applications within 60 days after this amendment takes effect", and on page 6, line 25, strike out the "\$4,500,000,000" and insert "\$5,000,000,000."

Mr. WOLCOTT. Mr. Chairman, I have offered this amendment as a compromise of sentiment on further home relief.

If I had my own way about it I would make this law very definite, so that the relief would not be shut off in any particular until private lending agencies were in a position to take over and give relief to home owners. [Applause.]

In this bill we set up a fund of \$250,000,000 by which the Home Owners' Loan Corporation may purchase stock in Federal building and loan associations which are expected to eventually take over the financing of the home loans.

There is a period in which there will be no relief whatever for the home owner unless we continue the Home Owners' Loan Act, because it will be some time before these private agencies will adequately be able to take over the financing of home loans.

Let me refer to what our President had to say about the need for this relief when he sent the bill to us on April 13, 1933. He said:

Implicit in the legislation which I am suggesting to you is a declaration of national policy. This policy is that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guaranty of social and economic stability, and that to protect home owners from inequitable enforced liquidation, in a time of general distress, is a proper concern of the Government.

I agree with him, and you agreed with him at that time on this subject. Many of you agreed with him that the need of distress was not completely over when you voted last month for the bill which would authorize \$5,000,000,000 to carry on relief.

We must be consistent. If we recognize that there is a need in this country for an appropriation of \$5,000,000,000 for relief, there is likewise a need for the preservation of social and economic stability of this Nation.

This is in line with the appropriation of \$5,000,000,000 for relief. If we can afford to grant \$5,000,000,000 to the needy of this Nation, surely we can afford to loan a billion and a half or two billion dollars more to the home owners, and it is estimated by Mr. Fahey, of the Home Owners' Loan Corporation, that there need be the loss of not one cent on these loans. For that reason, at least until we can get this private machinery into motion, whereby these home owners can get relief through building and loan associations, and until the policies of the banks change somewhat so that they can get relief through banks, I think we should continue the relief afforded by the H. O. L. C. I defy any gentleman here now to send any of his constituents to any bank in the United States and get one cent of money for home-mortgage relief. You cannot do it. There is no money in the banks for the relief of home owners. There is no money in the building and loan associations under the laws of many of our States for home owners, and the only place that the home owner has to go to get money for relief is to the Congress of the United States, and we should stand up like men and meet this responsibility just as we did on April 13, 1933, when the President asked us to do this.

Mr. DINGELL. Mr. Chairman, will the gentleman yield? Mr. WOLCOTT. Yes.

Mr. DINGELL. Is not the gentleman's impression that the H. O. L. C., when the bill was first proposed in this House, was insufficiently provided for, when we asked for only \$2,000,000,000?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 2 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DINGELL. I want the gentleman to answer the question. When the H. O. L. C. bill was proposed here we asked for \$2,000,000,000. We found that that was inadequate, that we should have asked for \$3,000,000,000 at least in the first instance, and certainly an additional billion or a billion and a half later. We find ourselves now, after being in a jam for 2 or 3 months, in a situation where we need additional funds. Is it not a fact that we have gone along all of these 18 months always running in arrears?

Mr. WOLCOTT. Yes. We saw the necessity for increasing it this last year. Of course the argument was that they will be here next year asking for an increase. I hope I will not be charged with being a demagogue when I say that so far as this relief is concerned we cannot stop it until we adopt a general policy of cutting relief off, and when you adopt that general policy I may go along with you, but so long as we are appropriating \$5,000,000,000 for general relief I think it is a mighty poor policy for us to start denying the home owners relief.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. MAY. Does the gentleman's amendment extend the time 60 days beyond the passage of this act?

Mr. WOLCOTT. Yes; it opens the door for 60 days beyond the effective date of this amendment, so that anybody can file an application. Realizing that the billion and a half

dollars which we have set up will be no more than enough to take care of 500,000 applications now pending, which probably will be granted, I have added another \$500,000,000 in the hope that that will be sufficient to take care of all applications filed within this period of time.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SISSON. Mr. Chairman, I speak in opposition to the substitute amendment offered by the gentleman from Michigan [Mr. Wolcott]. I appreciate that the effect of that amendment is to extend the time 60 days beyond the passage of this act for the receiving of new applications, but it also increases the authorization of bonds by \$500,000,000. As I have said as many times as I have had opportunity, I am in favor of extending the time a reasonable time, say 60 days, for the receiving of new applications, because I can see no other way in which this act can be administered, and we will finally get out of the real-estate business without at the same time doing a great injustice to many worthy home owners in distress, after keeping it open for that length of time. I think there are many of us here who appreciate that in doing that we will to some extent unsettle the mortgage market. To a certain extent we will prevent lending institutions from resuming their normal functions. The main thing is that this shall be kept open long enough to receive the filing of applications in worthy cases, not leaving it to the arbitrary discretion of any board. I am unwilling to do that.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SISSON. Not now. I am in sympathy with the purpose of the gentleman from Michigan [Mr. Wolcott], but Congress will be in session here for 4 or 5 months longer, and 60 days from now or 90 days from now it can be determined by the Home Owners' Loan Board whether the \$1,500,000,000 now proposed, plus the \$600,000,000 more not used, will be sufficient to take care of these cases, and the effect upon the country will be far better if we simply authorize and direct that this shall be kept open for 60 days and then we can determine when the time comes if this is enough to take care of the worthy cases.

The best advice which our committee has received is that it will be enough. I therefore ask you to vote down the amendment offered by the gentleman from Michigan [Mr. Wolcott], because the gentleman from Michigan [Mr. Brown] will soon offer an amendment which I believe will satisfy the situation.

Just one thing further, Mr. Chairman. The committee amendment, much as I regret to say it, does not meet the situation. It leaves it to the discretion of the Home Owners' Loan Board to determine whether an application has been made in good faith heretofore or whether an attempt has been made to make an application. It is nothing but a naked thing, and that certainly should be voted down.

The CHAIRMAN. The time of the gentleman from New York [Mr. Sisson] has expired.

Mr. DUNN of Pennsylvania. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. DUNN of Pennsylvania: On page 6, line 25, after the word "exceed", strike out "\$4,500,000,000" and insert in lieu thereof "\$6,000,000,000."

Mr. STEAGALL. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. Does the gentleman make the point of order? The Chair thinks the point of order is good.

Mr. STEAGALL. I make the point of order, Mr. Chairman.

The CHAIRMAN (Mr. Celler). The Chair suggests to the gentleman from Pennsylvania [Mr. Dunn] that he await decision on the substitute and then he can offer his amendment relating to the amount.

Mr. DUNN of Pennsylvania. Very well, Mr. Chairman.

Mr. COCHRAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN to the committee amendment offered by Mr. HANCOCK of North Carolina: After the word "filed", in line 2 of the committee amendment, strike out down to and including the word "effect", in line 5, and insert in lieu thereof the following: "as well as future applications"; and strike out "\$4,750,000,000" and insert in lieu thereof "\$5,550,000,000."

Mr. STEAGALL. I reserve a point of order against the amendment.

Mr. COCHRAN. I would like the gentleman to state his point of order.

Mr. STEAGALL. I reserve the point of order.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. ELLENBOGEN. There is no time limit at all in the gentleman's amendment?

Mr. COCHRAN. I will explain the amendment I have offered.

I have offered this amendment to the amendment offered by the gentleman from North Carolina. My amendment strikes out the following words: "and for applicants who in good faith prior to the date this amendment takes effect, sought relief by a formal application, letter, or otherwise, who filed their application within 60 days after this amendment takes effect"; and I am also increasing the amount of bonds that can be issued \$1,000,000,000.

The purpose of my amendment to the amendment is this: We all know that no one can go to the Home Owners' Loan Corporation until he is in distress; until he has applied for a loan and has been turned down by real-estate men, by banks, and others. Then and then only can a man go to the Home Owners' Loan Corporation.

Now, if you have a mortgage of \$5,000 upon your house and that mortgage is due July 1, you cannot possibly be in distress until July 1. The gentleman from Michigan [Mr. WOLCOTT], has told you that he challenged anyone to name a bank in this country which would loan a dollar on real estate; and no one was able to name a bank. It is impossible to find real-estate companies which will advance any money in my city to home owners unless the mortgage is about 50 percent of the value of the home. Just as the gentleman said, if we are going to help people in distress, let us help them, and shut off nobody until the bonds have all been issued.

Mr. COX. Would not the gentleman be willing to divide his amendment?

Mr. COCHRAN. I am willing to divide the amendment. I will ask permission to do so when I am recognized by the Chair after completing my remarks.

Mr. COX. If the gentleman would divide his amendment I think he would stand a chance of having it passed.

Mr. COCHRAN. I will divide the amendment. I repeat, if we are going to help the home owners, let us help them, but not only help those who have been in distress in the past, or at present in distress, but let us help those who will be in distress later.

Mr. CONNERY. Will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. CONNERY. If the gentleman divides his amendment, what will be the effect?

Mr. COCHRAN. The questions will be voted on separately.

Mr. CONNERY. But what are the two things to be separated?

Mr. COCHRAN. One is to raise the amount \$1,000,000,000 and the other is to accept future applications without any limiting date, until the bonds are gone. That is the effect of my amendment to the amendment. It is to continue the Home Owners' Loan Corporation as it was up to the time they discontinued taking applications. It is also the purpose of the amendment to provide additional money. They will need \$1,000,000,000 to take care of the applications that were on file prior to November when they stopped receiving them. At least that is what Mr. Fahey told me in letters, not once but two or three times.

Mr. TABER. Will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. TABER. Would there be any assurance that there would be any new loans made even if the gentleman's amendment were adopted? Would not the funds carried by the gentleman's amendment all be exhausted by pending applications?

Mr. COCHRAN. According to Mr. Fahey there was in the office \$1,800,000,000 in applications. At the time he wrote me they had \$800,000,000 additional in bonds. Therefore it takes \$1,000,000,000 additional to take care of what they have on file. If the amendment offered by the committee survives, they will only have \$500,000,000 to take care of new applications. I say that is not sufficient.

Mr. SNELL. Will the gentleman yield for a question?

Mr. COCHRAN. I yield.

Mr. SNELL. What proportion of those applications will be granted? Did Mr. Fahey tell the gentleman that?

Mr. COCHRAN. He did not say.

Mr. SNELL. A great many of them will be turned down?

Mr. COCHRAN. He said they were on file. No doubt many will be turned down.

Mr. SNELL. That does not mean they will be granted?

Mr. COCHRAN. We do not know what percentage will be granted.

Mr. SNELL. Probably a small percentage so far.

Mr. COCHRAN. Now, I would like to ask the gentleman from New York a question. Can the gentleman conceive of any better security in the world on which to loan money than a man's home?

Mr. SNELL. No; not if it is all right. I am for it.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I offer an amendment to the substitute offered by the gentleman from Michigan [Mr. WOLCOTT].

The Clerk read as follows:

Amendment offered by Mr. HEALEY to the substitute offered by Mr. WOLCOTT: Strike out "60 days" and insert in lieu thereof "6 months."

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Is an amendment to a substitute in order at this time?

The CHAIRMAN. It is in order if properly offered at this time.

Mr. HEALEY. Mr. Chairman, in the light of our past experience with this whole situation, we ought to realize that in 60 days conditions will not be so altered as to warrant the discontinuance of home owners' relief, although we all hope they will be improved. I know that every effort is being made by this Corporation to extend facilities to private lending organizations so that they may be able to adequately take over the field of home financing. I wish, however, to recite the fact that it was but a few days after the H. O. L. C. announced that it was not going to receive any more applications that wholesale foreclosure proceedings started everywhere. I know in my own State that a few days after the Home Owners' Loan Corporation office there ceased taking applications, one bank threatened to start foreclosure proceedings in 32 cases, although these particular mortgagors had applications then pending in the reviewing section of the H. O. L. C. office, and presumably satisfied all of the requirements of the Home Owners' Loan Corporation. This bank threatened to start proceedings to foreclose immediately when it was known that the H. O. L. C. appropriation had become exhausted and that the applications then on file in the Home Owners' Loan office were not going to receive any more action.

Yesterday I heard my distinguished colleague from Massachusetts [Mr. GIFFORD] say that we ought to get out of this business and not compete with the private lending agencies. I think the great majority of Members of Congress would like to see that thing accomplished, but where are these people going; to what private lending agencies are these home owners in distress going? Do we want to put them at the mercy of the cold-blooded institutions that started to foreclose their homes a few days after the Home Owners' Loan Corporation announced it could not receive any more applications?

After all, this money we have authorized for this humane purpose is coming back in a fairly regular way. According to the testimony of Mr. Fahey, Chairman of the Home Owners' Loan Corporation, there originally was about 33 1/3 percent of these mortgages in default, but after they notified these people who were in default the percentage was cut down to about 16. This is a gigantic enterprise. There never was such a big mortgagee in history as Uncle Sam is today, and a default of only 16 percent is not alarming. We are not only lending this money on the physical property of the home owners of our country, but we are depending upon their industry, their integrity, and their honesty.

Mr. Chairman, we need to keep this organization going at least another 6 months to relieve the distressed home owners. The same reason now exists for extending this relief that existed at the very outset when we enacted this humane legislation. If the banks will not lend to the distressed home owners of our country, then the Government must continue to finance the homes of our people. It is necessary to extend the time for new applications under existing conditions. It is necessary also to increase the amount so that we may take care of future applicants as well as take care of those who already have their applications on file.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield.

Mr. RABAUT. Would not the gentleman agree to extend the time a year, to make the date a year hence, for then we will be in session and have a chance to work on it?

Mr. HEALEY. I think 6 months is a fairly reasonable time. If private lending organizations are ever going to take over the mortgage field, they ought to be in a position to do so by that time; and if at the expiration of that time they are not, we may have to enact further relief legislation for home owners.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I wish to repeat a part of the comment I made yesterday, namely, that according to my understanding the administration itself does not wish more than \$1,500,000,000 additional. The Home Owners' Loan Corporation, which must also know what the administration wants, asks only for \$1,500,000,000. Those of you who were elected to back up the President, who is now certainly worried over the money that you have been freezing, should not want to increase the authorization in this particular matter. I am very watchful of your side of the House, as to how carefully you are following the wishes of your own President; and I should like to call the attention of the committee to my intense surprise that the Chairman of the Committee on Expenditures, who is supposed to be watchful of the expenditures of the Government, today wants to add a billion or more to this appropriation; way beyond what the administration wants, far in excess of what the Home Owners' Loan Corporation itself wants.

I cannot help but express considerable surprise at that, even though I know I have as much sympathy as anyone else.

Mr. Chairman, I want to say a word for Massachusetts. I recently had a communication stating there was a large amount of money in our building-and-loan associations, as we call our cooperative banks, ready to be loaned on real estate, and they wanted real-estate mortgages.

Mr. HEALEY. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Massachusetts.

Mr. HEALEY. I want to read the headlines of a little story in the Springfield Republican. "Upward trend found here in foreclosures; same situation noticed in 27 other States during January."

Mr. GIFFORD. I agree that foreclosures have not stopped, but the gentleman will not refute the statement that our cooperative banks cannot live unless they take on new mortgages. Of course, they are more careful than they were formerly. They do not lend up to 80 percent of the value. I would refer to the many things we have done to relieve this mortgage situation. We have a banking bill wherein the Federal Reserve itself will take mortgages and rediscount

them for 20 years. Many other things have been done. We shall have to taper off very soon.

Mr. Chairman, I repeat what I said yesterday. Some people are distinctly frightened about the capital structure of this Nation being frozen. During the war everybody was busy. Most people were earning a real income. But when you fight in a depression the only way suggested is to freeze your very capital structure. This is getting on very dangerous ground. Why do you on the other side go against your own President, whom you so desired and whom you promised to follow, when he has a bear by the tail and trying to let go a little? Why do you not help him?

[Here the gavel fell.]

Mr. FORD of Mississippi. Mr. Chairman, I rise in opposition to a part of the committee amendment offered by the gentlemen from North Carolina [Mr. HANCOCK]. I was somewhat amused at the language of the amendment as it was read by the Clerk, and I listened attentively while the gentleman was trying to explain its meaning to the Membership of the House. We are all in accord with the idea that the Home Owners' Loan Corporation is a blessing to the country and that it has done more than possibly any other governmental agency in saving homes of our people, and even with all the argument we have heard on this bill, none are opposed to the extension of the Corporation, or a reasonable appropriation so that the Corporation may continue to make loans to the deserving home owners. I am extremely happy to see the committee increase the amount of bonds which the Corporation can issue to \$4,750,000,000 instead of limiting the amount to \$4,500,000,000. As I understand it, this will give the Corporation \$1,750,000,000 with which to make additional loans to home owners who are now unable to borrow funds from any other source and who are now facing foreclosure, under mortgages, or sales of their homes because of their inability to pay taxes. The thing that concerns me most is the language of the amendment regarding the eligibility of applicants. That part of the amendment dealing with the eligibility of applicants is as follows:

in order to provide for applications heretofore filed and for applicants who file their applications within 60 days after this amendment takes effect and who in good faith prior to the date this amendment takes effect sought relief under this act the Corporation is authorized to issue bonds * * *

The first question we ask ourselves is, who will be eligible to receive the \$1,750,000,000 that we are about to make available to this Corporation by our votes? The only ones that have any assurance under the language of this amendment are the ones who have actually filed their applications before this date. What construction will the Corporation place upon the words "good faith"? And may we also ask what construction the Corporation will place upon the words "sought relief under this act"? It was rather amusing in listening to the gentleman [Mr. HANCOCK] when questions were propounded to him as to the meaning of his amendment and so far the gentleman has failed to explain it. There is not a member of the Banking and Currency Committee, or a Member of this House that can explain the meaning of this amendment. If the Members of Congress are unable to interpret, or place a reasonable construction upon the law they are about to vote upon, I am at a loss to understand how the Membership can vote intelligently upon the amendment or how it could be intelligently used for the benefit of the people after it had been enacted into law.

Mr. Chairman, I hope that the membership of the Banking and Currency Committee and the other Members of this House will not think that I am critical or unkind in any way when I say that it appears that there is no intention on the part of the officers of the Home Owners' Loan Corporation to extend loans to any home owners except those that have already filed their applications, and that this amendment is more or less a cloak for the position they have taken. Are we to tell our constituents that "we voted to extend the credit of the Government to the Home Owners' Loan Corporation in the amount of \$1,750,000,000 to help those who had already filed their applications, but to those of you who are in financial distress and who are about to lose your

homes, we are unable to help you because you did not get in on the ground floor?"

When our friends write us to know if they can qualify as an applicant for a loan we will have to write them that we are unable to tell them because we do not know the meaning of the law which we have passed. It will be embarrassing for us to have to write such to our constituents but there is nothing else that we can tell them unless we clear up the language of the amendment by voting for the substitute to the amendment offered by the gentleman from Missouri [Mr. COCHRAN] or the substitute to the amendment offered by the gentleman from Massachusetts [Mr. HEALEY] or the substitute to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT]. There are thousands of people all over this country who are desirous of obtaining loans from the Home Owners' Loan Corporation and who went to the office of the local correspondent or local attorney and asked them about filing their applications for loans but were told that orders had been issued in Washington that no further applications would be received because of lack of funds. Surely this Congress will not turn a deaf ear to deserving people like that who are as much entitled to a loan as the more fortunate who managed to get their applications on file first. We should not sit here as Members of Congress and let any such amendment be adopted. If we intend to continue the Home Owners' Loan Corporation we should rise up like men and provide that the people should have a reasonable length of time in which to file applications for the benefits which we are about to provide. If we are not willing to open the doors to all by adopting the amendment of Mr. COCHRAN, then let us extend the time in which applications may be filed for a period of 6 months and if the House is not willing to extend the time for a 6-month period as proposed by the gentleman from Massachusetts, let us give them 60 days as proposed by the gentleman from Michigan so that the people of our country may file their applications and receive the benefits of an act which we are all agreed is so necessary and so vital to the home owners of this country. If we do not have the courage to do this I hope that the Senate will correct the error. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. COCHRAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COCHRAN. Is this the proper time to ask for a division of the question on my amendment?

The CHAIRMAN. That would properly come when the question recurs on the gentleman's amendment.

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent that I may be permitted to divide the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri that his amendment be divided?

There was no objection.

Mr. CONNERY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

Mr. Chairman, I have listened very attentively to the discussion on these various amendments. It will be remembered that in every congressional district in the United States a short while before the Congress convened these loans were stopped suddenly. I understand one of the reasons for the stopping of the loans was that Mr. Fahey could be held criminally liable if he spent one cent more than provided in the original Home Owners' Loan Corporation bill. If I am wrong in that statement, the chairman will correct me.

The information given to me was that they were not taking any chances, even though they had some money left over, although not enough to take care of all the loans. They were not going to leave themselves open to being placed in such a position.

One amendment has been offered providing for 60 days and another amendment provides for 6 months, but neither of the amendments would take care of the same situation that occurred before Christmas. In other words, next November you will be faced with the same proposition. Again, there will not be sufficient money available, and the loans will be stopped, and then you will be flooded with letters and telegrams from people asking why they cannot get their loans through.

The Cochran amendment provides an indefinite right to apply. Now, what is so terrible about this? My distinguished colleague, the gentleman from Massachusetts [Mr. HEALEY], in his fine address brought out plainly the fact that this money is coming back to the Government. They have only 16 percent of defaults even in these terrible times. So the Government is not going to lose this money.

Now, in your veterans' cases, with respect to veterans' compensation, year after year we extended the time. We would say that a man could not apply for compensation after a certain time, and finally we reached the stage where we practically left it open indefinitely for the veterans. This is the same proposition, because this involves people who were not lucky enough to file their applications in time or people who did not even know what the law required—and yet you say they must have known. They do not know about such things. Do you know that at the present time, while I am talking here, there are veterans in the United States who do not know they are entitled to the soldiers' bonus that was passed in 1925, and their dependents do not know about it? There are thousands of people in the United States who do not know the situation with regard to laws or with regard to what they are entitled to under these laws.

These people should be given such opportunity. Distress is the first and fundamental reason for going to the Home Owners' Loan Corporation. So you are not doing the Government any harm by allowing these people an indefinite period of time. You want to aid them if they are in distress. This is the purpose of the law.

The amendment of the gentleman from Missouri [Mr. COCHRAN] adds to the appropriation, so that when you go home, whether it is in May, June, or July, or whenever it is, there will be no chance for this same situation to occur whereby they will suddenly shut off on these loans and the people will lose their homes, as many have done, through the banks foreclosing.

Mr. HEALEY and Mr. SISSON rose.

Mr. CONNERY. I first yield to the gentleman from Massachusetts.

Mr. HEALEY. The gentleman from Michigan [Mr. WOLCOTT] offered a substitute which does increase the appropriation by \$500,000,000, making it an even \$5,000,000,000. My amendment merely extends the time within which a person may apply for a loan.

Mr. CONNERY. Of course, the Cochran amendment provides an indefinite period of time and offers more than that in the way of financing them.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. SISSON. I agree with everything the gentleman has said as to his purposes, and I know how sincerely sympathetic he is, and I can assure the gentleman I feel very much the same way, and I do believe that this should be kept open a sufficient length of time to take care of the worthy, distressed cases and that it should not be left to the arbitrary discretion of the Home Loan Board. However, the gentleman, of course, knows there is now authorized \$1,500,000,000 additional.

Mr. CONNERY. Yes.

Mr. SISSON. And we are advised by the Board, and I believe fairly so, that the applications were decreasing and going down at a very rapidly increasing ratio prior to the time they were cut off on November 13 last. This being so, our best information is that within the next 3 months, certainly, they can tell how much more, if any, will be required.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. Sisson. Now, Congress will still be here—I think the gentleman knows that much better than I do, probably—at a later date than the date when it will be necessary to determine what amount will be needed, and I am with the gentleman in believing that a sufficient amount should be authorized to take care of the worthy, distressed cases.

Mr. CONNERY. I understand that, but may I make this statement to the gentleman. The gentleman says that Congress will be here. The gentleman knows and I know that as soon as this bill gets out of the House and is passed by the Senate and signed by the President, that will be the end of the Home Owners' Loan Corporation for this session. That always happens, and you cannot come in here 3 months from now and say that you need more money, because if you do they will not pay any attention to it.

Mr. Sisson. The question of greatest importance is not so much additional authorization as it is to keep this open for at least 60 days to take care of the worthy, distressed cases.

Mr. CONNERY. I am in favor of leaving it open indefinitely.

Mr. Sisson. I am not.

Mr. CONNERY. As long as the Government is not going to lose the money, and the Cochran amendment will provide for leaving it open indefinitely.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman—

Mr. ELLENBOGEN. Mr. Chairman, a parliamentary inquiry. Is the time that the gentleman from Alabama consumes taken out of the 20 minutes?

The CHAIRMAN. It is.

Mr. STEAGALL. Mr. Chairman, the Home Owners' Loan Corporation Board submitted to the Congress a provision for the appropriation of \$1,250,000,000 additional funds, which they estimated would be sufficient to take care of the pending applications.

The amount was raised to \$1,500,000,000. The committee desired to make sure that ample funds were provided to care for all applications on hand. The committee later decided to offer an amendment to provide \$1,750,000,000 additional funds to carry on this work.

The amendment of the committee before the House carries \$500,000,000 in addition to the sum asked for by the Board charged with the administration of this fund.

In addition to that the committee amendment provides that all applications shall be considered, and any applicant who was prevented from filing his application on account of the order of November 13, 1934, except those in the legal department, shall have the opportunity of having his application filed and passed on.

There was nothing harsh or unjust in the order of November 13, 1933, terminating the consideration of applications. The Board found that they had not sufficient funds with which to take care of all applications, and the common-sense way of dealing with that situation was to take the applications that had been filed, and that in the very nature of things came first for consideration, and apply the remaining funds to loans arising out of those applications.

There is nowhere any proof that the committee has been able to find to justify the apprehension that the amount provided in the amendment of the committee—\$1,750,000,000—will not be amply sufficient to take care of all applications that have been filed, as well as all cases where applications were prevented by the order of the Board promulgated on November 13, 1934.

Now, are we going to take off all limitations; are we going to accept as permanent the distress conditions we have sought to relieve? Are we going to say that the activities of the Government shall continue indefinitely? One of the amendments makes that proposal. And I submit that if we extend the time for all applications indiscriminately for a period of

60 days or for a period of 6 months, as is suggested in one amendment, it will precipitate a flood of applications in all remaining cases as to which there is any basis or hope of favorable action by the Home Owners' Loan Corporation.

Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama that he proceed for 2 minutes. The Chair hears none.

Mr. STEAGALL. Mr. Chairman, we are advised by those in charge of the administration of this law that we have reasonable grounds to expect an early resumption of loans by lending institutions in the country and a return to more normal conditions. But it is not believed that such a resumption is possible so long as we stand ready to carry on this business out of funds supplied by the Treasury of the United States. I think it unjust and unkind on the part of Members of the House to question the good faith or the sympathetic attitude of this administration in its efforts to afford relief to distressed citizens in the United States from the danger of foreclosure of mortgages on their homes. There is nothing in the record to justify that. The record abundantly refutes such an imputation. If it is found at any time that the anxiety expressed here is justified, the record bears me out in the statement that this administration can be trusted to come again to the rescue of distressed home owners in the United States, as it has done by repeated action in the past.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. O'CONNOR. Is it not a fact that the administration believes that \$1,250,000,000 would adequately meet this demand?

Mr. STEAGALL. The administration approved a bill, prepared with utmost care, providing an additional sum of \$1,250,000,000. The committee, out of an abundance of anxiety to anticipate any possible distress in the country, and to meet the wishes of the House, raised the amount to a billion and a half. Again the Committee on Banking and Currency agreed to raise the amount to a billion and three-quarters, as provided in the committee amendment. Still we are told that we are attempting, harshly and arbitrarily, to deny relief to home owners! The President is entitled to the approval of this Congress on this measure, just as he enjoys the approval of the American people for all his humanitarian efforts to relieve distress in the United States. [Applause.]

Mr. DUNN of Pennsylvania. Mr. Chairman, a few minutes ago I sent an amendment to the desk.

The CHAIRMAN. At that time a point of order was made to the gentleman's amendment, and that point of order was sustained. If the gentleman wishes to address the Committee on the pending amendments, he is recognized for 5 minutes.

Mr. DUNN of Pennsylvania. I shall not consume 5 minutes, because the Members look as if they are getting hungry. The amount I asked for in the amendment is \$6,000,000,000. In my candid opinion, the said amount is not too large of a sum to obtain from the Federal Government if it will save the homes of our people. About half an hour ago a gentleman made a statement on the floor that we told the voters in our districts we would support the President of the United States. When I was campaigning for the office of Congress I impressed on the minds of the people in my district that I would do my utmost as a Congressman to save the homes of every man and woman in the United States. If \$6,000,000,000 is too excessive then we can use the amount of money which is necessary. In other words, it is not mandatory to spend the \$6,000,000,000 unless it is needed. I do not doubt that every Congressman wants to do his best to alleviate the suffering of the people in his district. Therefore, Mr. Chairman, I maintain that \$6,000,000,000 is not too much.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. Yes.

Mr. CONNERY. The distinguished Chairman of the Committee on Banking and Currency just said that this is what the President wants and this is all he asked for, but from our past experience with legislation in this House this bill will go over to another body and the other body will put on what is demanded by the American people, and the House of Representatives will be regarded as the enemy of the American people in the eyes of the people.

Mr. DUNN of Pennsylvania. I agree with what the gentleman said. I hope the time is not far distant when we will have but one House and that will be the House of Representatives. [Applause.]

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. Yes.

Mr. ELLENBOGEN. How much time has the gentleman left?

The CHAIRMAN. There are 4 minutes remaining.

Mr. BOYLAN. Mr. Chairman, I demand the regular order.

Mr. ELLENBOGEN. I want to make this observation—

Mr. BOYLAN. The gentleman has not the right to do that.

Mr. ELLENBOGEN. The gentleman from Pennsylvania has 4 minutes, and he has yielded to me.

The CHAIRMAN. Does the gentleman from Pennsylvania yield to his colleague?

Mr. DUNN of Pennsylvania. Yes.

Mr. BOYLAN. But the gentleman cannot yield time; the gentleman can yield only for a question.

Mr. DUNN of Pennsylvania. I am yielding for a question.

Mr. ELLENBOGEN. Is it not a fact that the distinguished chairman of the committee, the gentleman from Alabama [Mr. STEAGALL], reported out a bill which changed the recommendation of the administration when he cut down the amount allowed for repairs from \$50,000 to \$25,000, and now he tells us that we should follow the administration? I hope the learned gentleman from Alabama [Mr. STEAGALL] will go along with the administration in that respect.

Mr. DUNN of Pennsylvania. What we should do is to follow the dictates of our conscience, and let our actions be in the interest of the distressed people of our country. [Applause.]

Mr. SABATH. Mr. Chairman, as one who originally advocated this legislation, as one who is familiar with the unfortunate conditions that exist, and the situation the home owners find themselves in, I feel very keenly on the question before us.

Personally I would be delighted to see every home owner in the United States accommodated, aided and relieved, but there are limitations, and I do not believe it is wise to authorize billions and billions that are not requested, and which I doubt very much will ever be used. Mr. Fahey stated that he believed \$1,250,000,000 would suffice to take care of all pending applications. The committee, after due consideration, has increased it to \$1,500,000,000, which would leave more than \$500,000,000 for the new applicants, which I believe is more than sufficient. In view of that fact, I believe that the amendment extending the time within which to file applications for 60 days should be adopted, and the bill as originally introduced, providing for \$1,500,000,000 additional funds, should prevail. That should satisfy each and every one of us who is interested in the home owners and the administration as well.

Mr. WOLCOTT. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. WOLCOTT. Does not the gentleman think it is incumbent upon the Congress of the United States to establish the policy under which the Home Owners' Loan Corporation shall continue?

Mr. SABATH. There is no policy provided for in this bill.

Mr. WOLCOTT. Does the gentleman think the Congress of the United States should be bound by what Mr. Fahey thinks?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SABATH] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN] to the committee amendment offered by the gentleman from North Carolina [Mr. HANCOCK]. The amendment to the committee amendment by unanimous consent was divided, and the Clerk will report the first part of the amendment.

Mr. SISSON. Mr. Chairman, I object.

Mr. COCHRAN. A point of order, Mr. Chairman. I received unanimous consent to divide the amendment.

The CHAIRMAN. The Clerk will report the first part of the amendment offered by the gentleman from Missouri to the amendment offered by the gentleman from North Carolina.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN to the committee amendment offered by Mr. HANCOCK of North Carolina: After the word "filed", in line 2, strike out down to and including the word "effect" in line 5 and insert in lieu thereof the words "as well as future applications."

The CHAIRMAN. The question is on the amendment to the committee amendment.

The question was taken; and on a division (demanded by Mr. CONNERY and Mr. DUNN of Pennsylvania) there were ayes 68 and noes 103.

So the first part of the amendment to the committee amendment was rejected.

The CHAIRMAN. The Clerk will report the second part of the amendment to the committee amendment.

The Clerk read as follows:

Second part of amendment offered by Mr. COCHRAN to the committee amendment:

Strike out "\$4,750,000,000" and insert in lieu thereof "\$5,550,000,000."

The CHAIRMAN. The question is on the second part of the amendment to the committee amendment.

The question was taken, and the second part of the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now recurs upon the amendment offered by the gentleman from Massachusetts [Mr. HEALEY], in the nature of an amendment to the substitute amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. CONNERY and Mr. DUNN of Pennsylvania) there were ayes 65 and noes 120.

So the amendment to the substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the substitute amendment offered by the gentleman from Michigan [Mr. WOLCOTT] to the committee amendment.

The Clerk again reported the substitute amendment to the committee amendment.

The question was taken; and on a division (demanded by Mr. DUNN of Pennsylvania) there were ayes 71 and noes 112.

So the substitute amendment to the committee amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

The CHAIRMAN. Ten Members have risen; not a sufficient number.

Tellers were refused.

The CHAIRMAN. The question recurs on the committee amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The Clerk again reported the committee amendment.

Mr. ELLENBOGEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ELLENBOGEN. If this amendment is voted down, then an amendment which I understand is to be offered by a member of the committee, and which is more liberal, would be in order?

The CHAIRMAN. The Chair cannot anticipate what amendments will be offered from the floor.

Mr. MARTIN of Colorado. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN of Colorado. Debate has been closed on this section and all amendments, but is not an amendment in order without debate.

The CHAIRMAN. An amendment to the committee amendment is in order.

Mr. MARTIN of Colorado. I wish to offer an amendment to the committee amendment.

Mr. SWEENEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SWEENEY. Do I understand that the request of the chairman of the committee to close all debate on the pending amendment in 20 minutes is applicable to this amendment?

The CHAIRMAN. All amendments which were pending at that time and amendments thereto. There is no further debate on the pending amendment or amendments thereto.

Mr. STACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STACK. Will the Chair please answer the question as to the lifetime of the original act that was passed in 1933?

The CHAIRMAN. The gentleman does not state a parliamentary inquiry.

The Clerk will report the amendment offered by the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, I was apprised that an amendment was in order. I cannot write out an amendment in a second.

The CHAIRMAN. The gentleman will state his amendment so it can be reported.

Mr. MARTIN of Colorado. Mr. Chairman, I move that all the language in the committee amendment following the word "heretofore", in line 24, page 6, with regard to the filing of future applications be stricken out, and that instead there be inserted, after the word "heretofore", in line 24, the words "or hereafter."

Mr. STEAGALL. A point of order, Mr. Chairman.

The CHAIRMAN. It is rather difficult for the Chair to follow the amendment.

Mr. MARTIN of Colorado. After the word "heretofore", in line 24, page 6, insert the words "or hereafter", and strike out all of the committee amendment regarding the time for filing future applications following the word "heretofore."

The CHAIRMAN. The Chair is unable to gather the import of the gentleman's amendment from the gentleman's statement. The gentleman should reduce his amendment to writing so we can fully understand what the gentleman intends to present to the House.

Mr. MARTIN of Colorado. Mr. Chairman, I have not had time to reduce my amendment to writing. I have no copy of the committee amendment, which is on the Clerk's desk.

Mr. STEAGALL. Mr. Chairman, I make a point of order against the amendment. The House has just voted on the identical proposition.

The CHAIRMAN. The Chair sustains the point of order.

Mr. MARTIN of Colorado. I have heard no such amendment.

Mr. SWEENEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SWEENEY. Do I understand that we are foreclosed from offering further amendments to section 9?

The CHAIRMAN. No. Further amendments may be offered.

The question is on the committee amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 119, noes 72.

So the committee amendment was agreed to.

Mr. MILLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER: At the end of section 9, on page 7, line 14, insert the following as a new section:

"That section 4 (d) of the Home Owners' Loan Act of 1933, as amended, be amended by adding: 'Provided, That for the purpose of this act, levies of assessments upon real property, made by any special district organized in any State for public improvements, shall be treated as general tax levies are treated and the lien created by such improvement districts upon the real property within said district, to secure the payment of such improvement-district levies shall be considered as attaching to such real property at the time fixed by such improvement district for the payment of such levies and assessments and not before; and, for the purposes of this act, the lien of any mortgage placed upon any such real property by the owner thereof shall be considered a prior lien with reference to such improvement-district lien securing the payment of all said improvement-district assessments not due at the time the said owner executes such mortgage. The reasonableness of the total annual burden of taxes and assessments of all kinds upon any property offered as security for the payment of a loan made by the Corporation and the effect of such total levies upon the loanable value of such property are matters for the determination of the Home Owners' Loan Corporation Board, but no deduction shall be made from the loanable value of any property for improvement-district assessments or levies not due at the time of making such loan in any instance where the total annual taxes and assessments borne by the said property for all purposes does not exceed a sum which in the discretion of the Board is a reasonable annual tax burden for such property: *Provided*, That in arriving at the loanable value, in no instance shall any deductions be made on account of such improvement-district liens, taxes, and/or assessments not due at the time of making the loan where the aggregate amount of annual taxes, levies, and assessments of all kinds and for all purposes upon the property offered for security does not exceed a sum equal to 5 percent of the value of such property as fixed by the Home Owners' Loan Corporation appraisalment."

Mr. STEAGALL. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. MILLER. Mr. Chairman, will the gentleman reserve his point of order?

Mr. STEAGALL. Mr. Chairman, I reserve the point of order.

Mr. MILLER. Mr. Chairman, the reason I asked the gentleman from Alabama to reserve his point of order was to give me an opportunity to explain the purpose of the amendment. So far as I know, this amendment does not affect any State except Arkansas. It affects us because of a peculiar constitutional provision in our State in reference to the levying of taxes in improvement districts. We in Arkansas proceed to levy taxes under the improvement district law in order to evade a constitutional provision of the constitution adopted in 1874.

The section of the law that this amendment seeks to change provides that the taxes due against property at the time the application is received shall be deducted from the mortgage, and it further provides that no discrimination shall be made under this act against any home mortgage by reason of the fact that the real estate securing such mortgage is located in a municipality, county, or taxing district which is in default upon any of its obligations.

Now, this provision of the law protects every municipality, county, city, or taxing district, and all property located in a taxing district except in the State of Arkansas, where our improvement taxes become an existing lien in whole. In other words, to illustrate the point, if the taxes on a piece of property is \$500 for the paving of a street, although the \$500 is payable over a period of years, the entire \$500 becomes at once a lien on that piece of property. Under the operation of the law in Arkansas, the whole of that \$500 is deducted from the loanable value, not the amount that is payable yearly or due at the time the mortgage is executed. The \$500 is not in default at all, but the entire sum is deducted from the loanable value, whereas in most of the States where this cost of improvement was paid by general tax levies, there would be deducted only such taxes as might be due and not the whole which may become due over a period of years.

That is all I am asking for.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from New York.

Mr. FITZPATRICK. In our State it is a direct assessment, and they have a period of 10 years in which to pay. It is a direct assessment and it is charged up just the same.

Mr. MILLER. Is the entire amount of the charge deducted?

Mr. FITZPATRICK. The entire amount. They have a period of 10 years to pay it on the installment plan.

Mr. MILLER. We have a period of 10, 15, or 20 years to pay; but what I am objecting to is the deduction of the entire amount when it is not payable and cannot be paid except in yearly installments.

Mr. FITZPATRICK. If one wanted to sell the property, it would be charged up to the mortgage?

Mr. MILLER. No; not under our system. If they would take the assessed benefits into consideration, it would be a different proposition.

Mr. FITZPATRICK. If the property is sold and the deed delivered, you would have to pay your own assessments.

Mr. MILLER. No; not under our law and not under the decisions of our supreme court. We have had this matter up with the Home Owners' Loan Corporation before and for a while it functioned all right.

Mr. FITZPATRICK. In our State you would have to do it unless you inserted it in the contract; otherwise you would have to give a clear deed.

Mr. MILLER. We are in the situation where the court has held that such a tax is not a breach of warranty in a deed even, but the Home Owners' Loan Corporation takes the whole amount off. I am just asking for the benefit of those property owners that they be given the same consideration that property owners in every other State receive. This amendment protects the rights of the Home Owners' Loan Corporation. It does not interfere at all with orderly administration but simply results in equitable treatment; that is all. That is the effect of this amendment.

Mr. KVALE. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Minnesota.

Mr. KVALE. Has the gentleman consulted with the committee? Is it not possible the committee would accept the gentleman's amendment?

Mr. MILLER. I did not have an opportunity to consult with the committee until after they had acted upon the bill.

Mr. KVALE. At least the committee might not actively resist the gentleman's amendment.

Mr. MILLER. I do not think they will actively resist it because it can do no harm. It cannot hurt the Home Owners' Loan Corporation. It puts the improvement taxes upon the same basis as general taxes, that is all. If any installments of taxes are due when the mortgage is executed, they are deducted from the mortgage, but the whole amount which will become due and payable over a period of years should not be deducted from the loanable value.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. McLeod) there were—ayes 122 and noes 15.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. MILLER) there were—ayes 41 and noes 69.

So the amendment was rejected.

The Clerk read as follows:

SEC. 10. Subsection (j) of section 4 of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof the following: "No person shall be appointed or retained as an officer, employee, agent, or attorney in any regional or State office of the Corporation, who was, at the date of the establishment of such office, not a resident of the region or State served by such office. This amendatory provision shall go into effect within 90 days after the date of enactment thereof."

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Brown of Michigan: Page 7, after line 24, insert the following new section:

"Sec. 11. Subsection (1) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the last comma therein and the following: 'or in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation.'"

Mr. BROWN of Michigan. Mr. Chairman, this is a committee amendment proposed to the committee by the gentleman from Ohio [Mr. HARTER]. The purpose is to eliminate the so-called "institutional amendment" which we

adopted last year. Under the provisions of the law prior to the adoption of that amendment in 1934, no mortgagor who was not in distress could be relieved. By the amendment of 1934, mortgagors whose mortgages were not in default or men who were not in distress but whose mortgages were held by institutions which were in liquidation were granted the benefits of the act.

It caused a great deal of criticism in the State of Ohio, in the State of Michigan, and in many other parts of the country because relief was given to mortgagors who were not in distress. The gentleman from Ohio gave an instance of a county judge, receiving a salary of \$12,000 per year, who had a mortgage that was not in default and who was relieved because his mortgage happened to be in an institution that was in liquidation. The committee believes that that kind of relief should not be given. This is an opportunity to lessen the demand upon the Corporation. The language which will be eliminated from the present section (1) of section 4 of the act is as follows:

Or in any case in which the mortgage or other obligation or lien is held by an institution which is in liquidation.

It will confine the operations of the Corporation and the benefits of the act solely to mortgagors who are in distress, whose mortgages were in default prior to June of 1933, or who since that time have been unable to pay their debts by reasons beyond their control. The committee feels that the elimination of this provision of the law is a real improvement and asks its adoption.

Mr. FIESINGER. It does not limit the institutional feature, but it will limit the mortgagor under distress.

Mr. BROWN of Michigan. The gentleman is exactly right. We do not limit or prevent aid to persons who have mortgages in institutions, if those mortgages are in default or were in default prior to June of 1933; but we do prevent aid to persons whose mortgages are in good standing, merely because those mortgages are in institutions which are in liquidation.

Mr. HARLAN. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. HARLAN. In these liquidating institutions they are called upon to collect on their mortgages. There are lots of mortgagors who are drawing good money and have good salaries, but, if called upon today to pay their mortgage, could not do it any more than any man in distress.

Mr. BROWN of Michigan. The institution cannot call for payment of the mortgage if it is not in default.

Mr. HARLAN. Why not, if they are liquidating? That is the difficulty.

Mr. BROWN of Michigan. No; they cannot.

Mr. HARLAN. If they are liquidating—

Mr. BROWN of Michigan. They cannot in Michigan.

Mr. HARLAN. That may be true in Michigan.

Mr. BROWN of Michigan. If the mortgage is not due, surely they cannot call for payment upon it.

Mr. HARLAN. These mortgages that are given to institutions are made from year to year, and they are callable at any time and, whether the interest is paid or not, they are subject to being foreclosed in a great many States, as, for example, in Ohio. Now, what are we going to do with such cases?

[Here the gavel fell.]

Mr. SWEENEY. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 more minutes to answer a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Do I understand that the effect of this amendment is to wipe out the wholesale divisions created in these banks that are in liquidation?

Mr. BROWN of Michigan. That is true, insofar as their operations relate to mortgages that are not in default.

Mr. SWEENEY. And it does not preclude the mortgagor, who has an obligation due the bank from going to the Home

Owners' Loan Corporation and having it given consideration.

Mr. BROWN of Michigan. That is true.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. DONDERO. I think the gentleman from Ohio had the same thing in mind that I did. Is a man denied relief because his mortgage is in an institution which is in course of liquidation, even though the mortgage is in default?

Mr. BROWN of Michigan. No; if the mortgage is in default, he is entitled to relief under the bill.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment because I cannot see any particular need for the amendment. The Home Owners' Loan Corporation did not ask for the amendment. The committee, to be sure, voted upon it and accepted it as a committee amendment, and the reason the committee accepted it as a committee amendment, or at least some of the reasons given, were that the Home Owners' Loan Corporation had made some mistakes in the administration of this law. These mistakes in the administration of the law precipitated a resolution asking for an investigation of the Home Owners' Loan Corporation.

Undoubtedly, there have been mistakes made. I think in one case it developed, as the gentleman from Michigan pointed out, that a judge in Ohio had his mortgage taken over and it developed that this judge was receiving an annual salary of \$12,000 a year, but this is an isolated case.

This provision was put in the bill last year at your instance, because we wanted to do just what will be done if this provision stays in the bill. We will give relief to depositors in closed banks. You gentlemen got up here last year and said you were in favor of this Government doing something for the depositors in closed banks. As a consequence, this committee wrote into the act this language, which was adopted by the House, which allowed the Home Owners' Loan Corporation to go into closed institutions and take over the mortgage assets of these closed institutions for the purpose of paying dividends to the depositors.

We have listened all the way through this discussion to a great deal of talk about baling out the banks, as if baling out the banks meant paying the stockholders in those banks some money. There has not been one cent of the money paid by the Home Owners' Loan Corporation that has ever reached the pockets of a stockholder, but every cent, over and above the cost of liquidation, has gone to pay the depositors in these closed banks, and now you men who were so jealous of your rights last year to have some relief given to closed banks, I hope you will not vote today to take from the Home Owners' Loan Corporation the instrument by which they are now giving relief to closed banks and through which those institutions are paying depositors who otherwise might receive nothing.

We have had some inconsistencies here. The gentleman from Maryland said that 90 percent of this fund is used to bale out banks. The Home Owners' Loan Corporation told us in committee they had used an infinitesimal amount of their money for the purpose of baling out banks, but I will say to you, frankly, when you bale out a bank today that is in liquidation, you bale out the depositor and you give him some money with which to buy the necessities of life, and that is just what we are trying to do. Vote against this, if you want to, but do not be proud of your record in this House when it comes to answering letters from your constituents who say their banks are closed and they have not been able to get any part of their deposits. You should remember that you voted for the only thing in this bill which will give any relief to those people.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SWEENEY. Does not the gentleman know that the effect of the operations of the wholesale division of these banks in liquidation is that it helps to minimize the double

liability that attached itself to stockholders and directors, many of whom are responsible for the bank's closing up?

Mr. WOLCOTT. I will say to the gentleman that so far as the information that comes to me is concerned, there has been less than 10 percent of that double liability collected up to the present time, and the benefit to the depositors, so far as double liability is concerned, is infinitesimal. The assets of the bank are what we want liquidated. We want to get some money into the bank in order that the conservator or the receiver may be able to pay some dividends to the depositors.

We have given the R. F. C. that authority. Why restrict it in this act?

[Here the gavel fell.]

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman may have 1 more minute to answer a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROWN of Michigan. Does not the gentleman know that practically all the banks in his State and in my State have received loans from the Reconstruction Finance Corporation?

Mr. WOLCOTT. Yes; and I know further that there are 19 closed banks in Macomb County, in my district, that would not be able to pay 1 cent to their depositors if they had not got the money from the Home Owners' Loan Corporation.

Mr. BROWN of Michigan. But the job has been done and did not most of this money come from the R. F. C. and other agencies of the Government?

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The gentleman from Michigan moves that the Committee do now rise.

The question was taken; and on a division there were 108 ayes and 48 noes.

Mr. CULLEN. I ask for tellers.

The CHAIRMAN. Tellers are demanded. The Chair will count.

Mr. CULLEN. Mr. Chairman, I withdraw the demand for tellers.

So the Committee determined to rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CELLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE

Mr. O'CONNELL, by unanimous consent, was given leave of absence for Friday, Saturday, and Monday, on account of the death of a relative.

ADJOURNMENT

Mr. CULLEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p. m.) the House adjourned until tomorrow, Saturday, March 9, 1935, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Saturday, Mar. 9, 10:30 a. m.)

Continuation of hearings on bills pertaining to offenses against the Postal Service, Room 213, old House Office Building.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CONNERY: Committee on Labor. H. R. 6450. A bill to accord labor proper opportunity for protection of rights granted by the Congress, and for other purposes; without amendment (Rept. No. 333). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H. R. 6424. A bill to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes; with amendment (Rept. No. 335). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 2049. A bill to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L., 555); without amendment (Rept. No. 336). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 4126. A bill to reserve certain public-domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev.; without amendment (Rept. No. 337). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 1368. A bill for the relief of Virden Thompson; without amendment (Rept. No. 334). Referred to the Committee of the Whole House.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 4372. A bill for the relief of Charles L. Graves; without amendment (Rept. No. 338). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 5633) for the relief of Sarah Abbott, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER: A bill (H. R. 6533) to amend an act entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes", approved January 31, 1935; to the Committee on Banking and Currency.

Also, a bill (H. R. 6534) to regulate the fees of referees in bankruptcy, and to otherwise amend the Federal Bankruptcy Act; to the Committee on the Judiciary.

By Mr. KELLER: A bill (H. R. 6535) granting the consent of Congress to the State of Illinois and the State of Missouri, to construct a free highway bridge across the old channel of the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. QUINN: A bill (H. R. 6536) to repeal the act entitled "An act to prohibit the importation and the interstate transportation of films or other pictorial representations of prize fights, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCK: A bill (H. R. 6537) to amend certain plant-quarantine laws; to the Committee on Agriculture.

By Mr. DEMPSEY: A bill (H. R. 6538) for the relief of the State of New Mexico; to the Committee on the Judiciary.

By Mr. FISH: A bill (H. R. 6539) to amend section 15 (a) of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HOPE: A bill (H. R. 6540) to amend the Packers and Stockyards Act, 1921; to the Committee on Agriculture.

By Mr. PETERSON of Georgia: A bill (H. R. 6541) to provide for the establishment of a national monument on the site of Fort Morris in Liberty County, Ga.; to the Committee on the Public Lands.

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 6542) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes; to the Committee on Indian Affairs.

By Mr. SMITH of Virginia: A bill (H. R. 6543) to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia; to the Committee on the District of Columbia.

By Mr. STUBBS: A bill (H. R. 6544) to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws; to the Committee on the Public Lands.

By Mr. KOPPELMANN: A bill (H. R. 6545) to assure to persons within the jurisdiction of every State the equal protection of the laws, and to suppress and punish the crime of lynching; to the Committee on the Judiciary.

By Mr. McMILLAN: A bill (H. R. 6546) to provide for the establishment of a United States Coast Guard life-saving station on Hunting Island, S. C.; to the Committee on Merchant Marine and Fisheries.

By Mr. LLOYD: A bill (H. R. 6547) authorizing the appointment of a Commissioner for the United States Court for China and defining his duties; to the Committee on Foreign Affairs.

By Mr. McGEHEE: Resolution (H. Res. 156) to investigate the administration of the Virgin Islands; to the Committee on Rules.

By Mr. SMITH of Virginia: Joint resolution (H. J. Res. 202) to provide for the printing with illustrations and binding in cloth of 110,000 copies of the Special Report on the Diseases of the Horse; to the Committee on Printing.

Also, joint resolution (H. J. Res. 203) to provide for the printing, with illustrations and binding in cloth of 110,000 copies of the Special Report on the Diseases of Cattle; to the Committee on Printing.

By Mr. ANDREW of Massachusetts: Joint resolution (H. J. Res. 204) authorizing the erection of a memorial to the late Jean Jules Jusserand; to the Committee on the Library.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, regarding the participation of the Bank of North Dakota in the facilities of the United States Treasury for the issuance of currency in the name of the Bank of North Dakota; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of New Mexico, memorializing Congress for consent to tax interstate sales of goods for use or consumption within the State; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of New Mexico, regarding the construction of a Federal highway from Santa Fe to Las Vegas; to the Committee on Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURCH: A bill (H. R. 6548) to provide for a review by the Department of War of the case of the late Capt. Bartlett James; to the Committee on Military Affairs.

By Mr. EAGLE: A bill (H. R. 6549) for the relief of Horton & Horton; to the Committee on War Claims.

By Mr. HARTER: A bill (H. R. 6550) for the relief of Ida M. Almstaedt; to the Committee on Claims.

Also, a bill (H. R. 6551) granting a pension to Sarah Penberthy; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 6552) granting a pension to Erma Petty; to the Committee on Invalid Pensions.

By Mr. LARRABEE: A bill (H. R. 6553) granting an increase of pension to Sarah Conrad; to the Committee on Pensions.

Also, a bill (H. R. 6554) granting an increase of pension to Martha E. McLellen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6555) for the relief of Arthur Witte; to the Committee on Claims.

Also, a bill (H. R. 6556) for the relief of Harrison Simpson; to the Committee on Claims.

Also, a bill (H. R. 6557) for the relief of Templeton Livingston; to the Committee on Military Affairs.

Also, a bill (H. R. 6558) for the relief of Thomas A. Ryland, also known as "Thomas Ryland"; to the Committee on Military Affairs.

Also, a bill (H. R. 6559) for the relief of John E. Gill; to the Committee on Naval Affairs.

Also, a bill (H. R. 6560) for the relief of Charles G. Keiser; to the Committee on the Civil Service.

Also, a bill (H. R. 6561) granting a pension to Martha Willoughby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6562) for the relief of Charley H. Caldwell; to the Committee on Military Affairs.

Also, a bill (H. R. 6563) granting a pension to Mary Roberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6564) granting a pension to Hattie E. Shobe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6565) granting a pension to Elizabeth Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6566) granting a pension to John L. Richman; to the Committee on Pensions.

Also, a bill (H. R. 6567) granting a pension to John E. Mann; to the Committee on Pensions.

Also, a bill (H. R. 6568) granting a pension to Charles H. Mattingly; to the Committee on Pensions.

Also, a bill (H. R. 6569) granting a pension to Anna Barton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6570) granting a pension to Mary A. Hart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6571) granting an increase of pension to Mary Ellen Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6572) granting an increase of pension to Bruce Winklepleck; to the Committee on Pensions.

By Mr. McGEHEE: A bill (H. R. 6573) for the relief of the estate of Aaron Z. Duggan, deceased; to the Committee on Military Affairs.

Also, a bill (H. R. 6574) for the relief of the dependents of Max Grady Sullivan, deceased; to the Committee on Military Affairs.

Also, a bill (H. R. 6575) for the relief of Maj. Omer A. Newhouse; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 6576) to authorize the presentation of a Distinguished Flying Cross to Maj. Francis T. Evans, United States Marine Corps; to the Committee on Military Affairs.

By Mr. MASSINGALE: A bill (H. R. 6577) for the relief of Mrs. W. B. Nix and Mrs. J. A. Nix; to the Committee on Claims.

By Mr. MERRITT of New York: A bill (H. R. 6578) for the relief of Joseph A. Therry; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 6579) authorizing a preliminary examination of the dam at the northern end of Gray Island, in Clark County, Mo., with a view to the control of floods; to the Committee on Flood Control.

By Mr. RYAN: A bill (H. R. 6580) granting a pension to Della M. C. Rudolph; to the Committee on Pensions.

By Mr. SOMERS of New York: A bill (H. R. 6581) to authorize the appointment of Paul Burns, former second lieutenant, Field Artillery, United States Army, to such rank on the active list, and for other purposes; to the Committee on Military Affairs.

By Mr. THOMPSON: A bill (H. R. 6582) granting a pension to Helen R. Pitney; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 6583) authorizing the President of the United States to appoint Wallace F. Safford to the position and rank of captain in the Army of the United States and immediately retire him with the rank and pay of a captain; to the Committee on Military Affairs.

Also, a bill (H. R. 6584) for the relief of Bartholomew Moynahan; to the Committee on the Civil Service.

By Mr. TOLAN: A bill (H. R. 6585) for the relief of Robert W. Miller; to the Committee on Claims.

By Mr. WILCOX: A bill (H. R. 6586) for the relief of W. R. McLeod; to the Committee on Claims.

By Mr. WOLVERTON: A bill (H. R. 6587) for the relief of certain purchasers of land in the Borough of Brooklawn, State of New Jersey; to the Committee on Claims.

By Mr. ZIMMERMAN: A bill (H. R. 6588) for the relief of Myrtle Anderson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3228. By Mr. ANDREWS of New York: Twenty petitions containing approximately 300 names of residents of the Fortieth Congressional District of New York, protesting against the enactment of House bill 5423; to the Committee on Interstate and Foreign Commerce.

3229. By Mr. BEITER: Petition of the Buffalo Master Bakers' Association, Buffalo, N. Y., urging the repeal of the processing tax on ingredients that go into the manufacture of bread; to the Committee on Ways and Means.

3230. By Mr. BLAND: Petition of four citizens of Clopton, Va., urging that Congress pass a uniform Federal old-age-pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

3231. By Mr. BOYLAN: Petition signed by William G. Henry, and other residents of the Fifteenth Congressional District of New York City, vigorously opposing the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

3232. Also, petition signed by Miss Dorothy S. Brambaugh and other residents of the Fifteenth Congressional District of New York City, opposing the passage of the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

3233. By Mr. BUCK: Memorial of the California State Legislature, relative to accepting amendments from the Government of the United States for the construction of approach roads and toll areas over certain rights-of-way leading to the Golden Gate Bridge in the Presidio of San Francisco Military Reservation, and relating to the retrocession by the Congress of the United States of jurisdiction over said rights-of-way and toll areas as relocated; to the Committee on Roads.

3234. By Mr. BUCKLER of Minnesota: Petition of Simon Ellefson and Martin Swanson, of Lancaster, Minn., in behalf of members of Post No. 214 of the American Legion, Department of Minnesota, members of the Lancaster Civic and Community Club, and business and professional men of the community and vicinity, favoring the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3235. Also, petition of M. L. Myhre, president, Wolverton, Minn., in behalf of the Business Mens' Association of Wolverton, Minn., favoring the Vinson bill (H. R. 3896) to make the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

3236. By Mr. DUFFEY of Ohio: Petition of 136 citizens of Toledo, Ohio, urging passage of the Townsend old-age revolving pension plan to be financed by a Nation-wide Federal sales tax; to the Committee on Ways and Means.

3237. By Mr. FOCHT: Petition of E. W. Thomas, of Burnham, and numerous other citizens of Lewistown, Mifflin County, a part of the Eighteenth Congressional District of Pennsylvania, opposing House bill 5423 and Senate bill 1725, the public-utility bills; to the Committee on Interstate and Foreign Commerce.

3238. Also, petition of Frank K. Metzger, Burnham, and various other residents of Burnham and Lewistown, a part of the Eighteenth Congressional District of Pennsylvania, opposing House bill 5423 and Senate bill 1725, the public-utility bills; to the Committee on Interstate and Foreign Commerce.

3239. By Mr. HAINES: Petitions signed by 83 of his constituents of the Twenty-second Pennsylvania District, protesting against the public-utility bills; to the Committee on Interstate and Foreign Commerce.

3240. By Mr. HART: Memorial of the House of Assembly of the State of New Jersey (the senate concurring), requesting that the Congress of the United States enact an amendment to the United States Internal Revenue Act of 1934, preventing the imposition of a tax upon any State or Territory of the United States, the District of Columbia, or any political subdivision, agency, or district thereof; to the Committee on Ways and Means.

3241. Also, memorial of the House of Assembly of the State of New Jersey (the senate concurring), requesting that the Congress of the United States enact the Frazier-Lemke bill without further delay; to the Committee on Banking and Currency.

3242. By Mr. HEALEY: Petitions of certain employers and employees of Cambridge, Mass., concerning the Black-Connery bill; to the Committee on Labor.

3243. By Mr. HOEPEL: Petition of the Los Angeles County Council of the Veterans of Foreign Wars of the United States, urging the passage of the Patman bill (H. R. 1), providing for immediate payment of the bonus; to the Committee on Ways and Means.

3244. Also, resolutions of the citizen taxpayers of the northeastern part of South Dakota at Webster, S. Dak., February 9, 1935, commending and endorsing the Townsend plan of old-age revolving pensions, and urging its enactment into law, with the additional provision that a considerable portion of the necessary funds be raised by taxing big fortunes with a large inheritance tax and big incomes by large graduated income tax proportioned according to the ability of the taxpayer to pay, and according to the protection and benefits which he is deriving from our Government; to the Committee on Ways and Means.

3245. By Mr. LESINSKI: Petition signed by groups 53, 2341, 460, 1427, 1277, and 170 of the Polish National Alliance of the United States of America, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3246. Also, resolution 13006 of the Common Council of the City of Dearborn, Mich., asking that October 11 of each year be set aside as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3247. Also, resolution of the City Council of Wyandotte, and the Common Council for the City of Ecorse, Mich., memorializing the Congress to proclaim October 11 of each year General Pulaski's Memorial Day; to the Committee on the Judiciary.

3248. By Mr. MEAD: Petition of the Buffalo Lumber Exchange, Buffalo, N. Y., requesting Congress to remove or suspend the duty on rough lumber from contiguous countries; to the Committee on Ways and Means.

3249. Also, petition of the Polish National Alliance, Group 890, Buffalo, N. Y., memorializing Congress to proclaim October 11 General Pulaski's Memorial Day; to the Committee on the Judiciary.

3250. By Mr. MERRITT of New York: Petition of Helen Clifton, of 132 East Forty-fifth Street, New York City, N. Y., and approximately 50 members of the Central Club for Nurses, urging Congress to defeat the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3251. Also, petition of Theodore G. Steinway and some 50 income taxpayers of New York City, urging Congress to repeal the publicity feature of section 55 (b) of the Revenue Act of 1934; to the Committee on Ways and Means.

3252. Also, petition of May Robb, of 415 East Thirteenth Street, New York City, and approximately 20 additional signers of residents in that vicinity, urging Congress to defeat the Wheeler-Rayburn public-utility bill; to the Committee on Interstate and Foreign Commerce.

3253. Also, petition of Grace N. Hickey, of 140 East Twenty-eighth Street, New York City, and approximately 40 other signatures of residents of New York City, urging Congress to defeat the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3254. Also, petition of Austin P. Canfield, secretary, and several hundred members of International Union of Operating Engineers of Local Union No. 184, New York City, urging Congress to support the amendment introduced by Senator McCARRAN, providing for the payment of prevailing rate of wage, etc.; to the Committee on Appropriations.

3255. Also, petition of Charles Auth, of 422-430 East Fifty-third Street, New York City, and other citizens and taxpayers, urging Congress to defeat the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3256. Also, petition of John Howard Hanway and other residents of Pelham Manor, N. Y., urging Congress to defeat the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3257. Also, petition of Charlie Meyer, 39-12 Main Street, Flushing, N. Y., and other residents of Flushing, Elmhurst, College Point, and vicinity, urging Congress to defeat the Wheeler-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3258. Also, petition of Stella Casale, 664 Eighteenth Street, Brooklyn, N. Y., and several hundred additional signers, calling upon Congress to defeat the Wagner Economic Security Act; to the Committee on Interstate and Foreign Commerce.

3259. Also, petition of I. B. Katz, of 1624 Tenth Avenue, Brooklyn, N. Y., and approximately 62 residents of Brooklyn and vicinity, urging Congress to defeat the Black bill (S. 87) and the Connery bill (H. R. 2746); to the Committee on Labor.

3260. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to embody in a national relief program the following provisions: (1) Making available to the unemployed sufficient work at a wage scale enabling the maintenance of a reasonable and decent standard of living; (2) work for those unemployed not dependent upon relief but in need of aid to make possible the payment of taxes and interest on their homes; (3) adequate Federal employment, thus making unnecessary added obligations, indebtedness, and increased taxes by local units of government already overburdened; (4) reimbursement to various counties and municipalities of the State the sum of \$6,000,000, representing the amount contributed by them during the year 1935 as their share of unemployment relief; to the Committee on Appropriations.

3261. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact legislation providing work for those home owners who, due to unemployment, are unable to meet the required payments on the principal or interest, or both, and, further, that such work be provided for under public-works projects through local, State, or Federal Governments; to the Committee on Appropriations.

3262. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to provide for public power development and more particularly rural electrification in the upper Mississippi Valley as provided in the essential features of measures relative thereto

now pending in the Congress of the United States; to the Committee on Military Affairs.

3263. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to take immediate steps to amend the Constitution of the United States providing that the Congress of the United States submit to the people of the Nation an opportunity to declare themselves in favor of the declaration of war by a popular referendum vote except in the event of a war to repel an invasion of this country when such referendum shall not be deemed necessary; to the Committee on the Judiciary.

3264. Also, memorial of the Legislature of the State of Wisconsin, protesting to the President and Congress of the United States against further reciprocal tariff or trade agreements by which the best interests of American farmers are sacrificed; to the Committee on Ways and Means.

3265. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to pass immediately the legislation necessary to empower and direct the Government of the United States to monopolize the manufacture and sale of war munitions; to the Committee on Military Affairs.

3266. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to reduce the excise tax on intoxicating liquors and beer, and other fermented malt beverages; to the Committee on Ways and Means.

3267. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact legislation to provide for a code of fair competition for the farmer, to establish the cost of production to farmers, and to provide for a reasonable profit on their investments; to the Committee on Agriculture.

3268. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to pass uniform laws regulating motor vehicles in interstate service; to the Committee on Interstate and Foreign Commerce.

3269. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact the pending Frazier-Lemke Finance Mortgage Act; to the Committee on Banking and Currency.

3270. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact legislation providing for Federal aid to high schools; to the Committee on Education.

3271. By Mr. PFEIFER: Petition of the Fur Dressers' & Fur Dyers' Association, Inc., New York City, urging repeal of the 10-percent excise tax on furs wholesaling at \$75 and over; to the Committee on Ways and Means.

3272. Also, petition of the Bush Terminal Co., New York, concerning the Black-Connery bills (S. 87 and H. R. 2746); to the Committee on Labor.

3273. Also, petition of the Aerovox Corporation, Brooklyn, N. Y., concerning the 30-hour-week bill; to the Committee on Labor.

3274. Also, telegram of the Finnigan Post, No. 242, American Legion, Brooklyn, N. Y., concerning the Vinson bonus bill; to the Committee on Ways and Means.

3275. By Mr. POLK: Petition of John D. Morehead, recording secretary, and the entire membership of Tate Council, No. 400, Junior Order of United American Mechanics, urging the passage of House Joint Resolution No. 69, creating in the Department of Justice a Bureau of Alien Deportation; to the Committee on Immigration and Naturalization.

3276. By Mr. RICH: Petition of the Business and Professional Women's Club of Williamsport, Pa., protesting against House bill 5423 and Senate bill 1725, known as the "utilities bill"; to the Committee on Interstate and Foreign Commerce.

3277. Also, petitions of citizens of Bradford, Pa., protesting against House bill 5423 and Senate bill 1725; to the Committee on Interstate and Foreign Commerce.

3278. By Mrs. ROGERS of Massachusetts: Petition of the City Council of Woburn, Mass., endorsing the resolution of the senior Senator from Massachusetts in which he directs

the attention of the Secretary of Labor to the necessity for creating appointments for young men and women between the ages of 18 and 30; to the Committee on Labor.

3279. By Mr. ROGERS of Oklahoma: Petition of Joseph Edge and numerous other citizens of Niceville, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3280. Also, petition of D. G. Harper and numerous other citizens of Ponce De Leon, Fort Walton, and De Funiak Springs, Fla., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3281. Also, petition of Jake Hendricks and numerous other citizens of Winnfield, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3282. Also, petition of Butler Gipson and numerous other citizens of Arcadia, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3283. Also, petition of George Forster and numerous other citizens of Darrow and Union, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3284. Also, petition of Rev. G. B. Hill and numerous other citizens of Amite, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3285. Also, petition of James Overstreet and numerous other citizens of Lakeland, La., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3286. Also, petition of Richard A. Baddie and numerous other citizens of Florence, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3287. Also, petition of George Hill and numerous other citizens of Aliceville and Tuscaloosa, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3288. Also, petition of Edward Crawford and numerous other citizens of Quinton and Dora, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3289. Also, petition of A. G. Johnson and numerous other citizens of Sylacauga, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3290. Also, petition of W. L. Vinton and numerous other citizens of Dora, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3291. Also, petition of Arthur Hamilton and numerous other citizens of Brewton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3292. Also, petition of L. Hall and numerous other citizens of Hamilton, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3293. Also, petition of Joe Carter and numerous other citizens of Hamilton, Ala., favoring House bill 2856, by

Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3294. Also, petition of Paul Hill and numerous other citizens of Ohatchee and Lincoln, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3295. Also, petition of Evan White and numerous other citizens of Paducah, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3296. Also, petition of M. B. Kidwell and numerous other citizens of Kansas City, Cleveland, and Avondale, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3297. Also, petition of Andrew Suggs and numerous other citizens of Duncan, Alligator, and Hillhouse, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3298. Also, petition of Dave Ross and numerous other citizens of Union Church and Crystal Springs, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3299. Also, petition of Will Brown and numerous other citizens of Duck Hill and Grenada, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3300. Also, petition of Frank Reed and numerous other citizens of Pace, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3301. Also, petition of Aron Robinson and numerous other citizens of Sidon, Miss., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3302. Also, petition of Z. E. Bowman and numerous other citizens of Anderson, S. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3303. Also, petition of Harvey Buckman and numerous other citizens of Quincy, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3304. Also, petition of Russell Wyatt and numerous other citizens of White Hall and Patterson, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3305. Also, petition of Charles Von and numerous other citizens of Oakdale, Nashville, and Addieville, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3306. Also, petition of James S. Gilliland and numerous other citizens of Pocahontas, Edwardsville, and Vandalia, Ill., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3307. Also, petition of Horace Robinson and numerous other citizens of Newark, N. J., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3308. Also, petition of R. E. Hayden and numerous other citizens of Bassett, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-

age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3309. Also, petition of A. S. Forehand and numerous other citizens of Earl, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3310. Also, petition of Lewis William and numerous other citizens of Round Pond, Ark., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3311. Also, petition of Henry Parks and numerous other citizens of Madison, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3312. Also, petition of Allen B. Layfield and numerous other citizens of Macon, Ga., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3313. Also, petition of Ray Suddath and numerous other citizens of Brownsville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3314. Also, petition of W. A. Collins, Jr., and numerous other citizens of Sparta, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3315. Also, petition of J. W. Hoover and numerous other citizens of Nashville, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3316. Also, petition of Dick Sydnor and numerous other citizens of McKenzie, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3317. Also, petition of Frank Bland and numerous other citizens of Wyatt, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3318. Also, petition of L. Ramsey and numerous other citizens of Gadsden and Halls, Tenn., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3319. Also, petition of J. J. Williams and numerous other citizens of Fulton, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3320. Also, petition of Damacio Cordova and numerous other citizens of Truchas, N. Mex., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3321. Also, petition of John H. Stone and numerous other citizens of Lebanon and Eldridge, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3322. Also, petition of Samuel Henry Ritter and numerous other citizens of Greeley and Bunker, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3323. Also, petition of Charles Harper and numerous other citizens of Fagus, Mo., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age

pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3324. Also, petition of J. H. Dishner and numerous other citizens of Princeton and Rock, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3325. Also, petition of A. C. Miller and numerous other citizens of Killarney, W. Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3326. Also, petition of W. T. Granger and numerous other citizens of Old Dock, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3327. Also, petition of J. M. Breeden and numerous other citizens of Lumberton, N. C., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3328. Also, petition of J. E. Garrison and numerous other citizens of Pennington Gap and Dryden, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3329. Also, petition of R. L. Mullens and numerous other citizens of Clintwood, Georges Fork, and Millard, Va., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3330. Also, petition of James McKinley and numerous other citizens of Jefferson County, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3331. Also, petition of A. J. Rigney and numerous other citizens of Sunnybrook, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3332. Also, petition of Bob Boatright and numerous other citizens of Mayfield, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3333. Also, petition of J. P. Gibson and numerous other citizens of Heller and Lookout, Ky., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3334. Also, petition of Spurgeon Foster and numerous other citizens of Collirene, Benton, and Gordonsville, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3335. Also, petition of J. O. Hathaway and numerous other citizens of Black, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3336. Also, petition of S. T. Grove and numerous other citizens of Scottsboro, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3337. Also Petition of Joe Cole and numerous other citizens of Collinsville and Henagar, Ala., favoring House bill 2856, by Congressman WILL ROGERS, the Pope plan for direct Federal old-age pensions of \$30 to \$50 a month; to the Committee on Ways and Means.

3338. By Mr. RUDD: Petition of J. F. Bragg, Long Island City, N. Y., concerning section 55B of the Revenue Act of 1934; to the Committee on Ways and Means.

3339. Also, petition of the West Disinfecting Co., Long Island City, N. Y., concerning section 55B of the Revenue Act of 1934; to the Committee on Ways and Means.

3340. Also, petition of B. Schwanda & Sons, New York City, concerning section 55B of the Revenue Act of 1934; to the Committee on Ways and Means.

3341. Also, petition of R. J. Atkinson (hardware), Brooklyn, N. Y., concerning section 55B of the Revenue Act of 1934; to the Committee on Ways and Means.

3342. Also, petition of Steinway & Sons' employees, New York City, regarding section 55B of the Revenue Act of 1934; to the Committee on Ways and Means.

3343. Also, petition of Grand Lodge Brotherhood of Railroad Trainmen, Cleveland, Ohio, concerning the McCarran amendment to the work-relief bill; to the Committee on Ways and Means.

3344. Also, petition of Charles Auth and seven other citizens of Greater New York, concerning the Rayburn-Wheeler public utility holding companies legislation; to the Committee on Interstate and Foreign Commerce.

3345. By Mr. SADOWSKI: Petition of the Forty and Over Club, of North Detroit, Mich., endorsing House bill 2827; to the Committee on Ways and Means.

3346. Also, petition of International W. O. Br. 2012, endorsing House bill 2827; to the Committee on Ways and Means.

3347. Also, petition of group no. 1758 of the Polish National Alliance, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

3348. Also, petition of group no. 848 of the Polish National Alliance, asking that October 11 of each year be set aside as General Pulaski Memorial Day; to the Committee on the Judiciary.

3349. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin, memorializing the Congress of the United States to enact the pending Frazier-Lemke finance mortgage bill; to the Committee on Banking and Currency.

3350. Also, joint resolution of the State of Wisconsin memorializing the Congress of the United States to reduce the excise tax on intoxicating liquors and beer and other fermented malt beverages; to the Committee on Ways and Means.

3351. Also, joint resolution of the State of Wisconsin, relating to a code of fair dealing, and to establishing of the cost of production to farmers and a reasonable profit on their investments; to the Committee on Agriculture.

3352. Also, joint resolution of the State of Wisconsin, memorializing the Congress of the United States to enact legislation providing for Federal aid to high schools; to the Committee on Education.

3353. By Mr. SCHAEFER: Petition of Council No. 1169, Polish National Alliance, East St. Louis, Ill., urging Congress to designate October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

3354. Also, petition of the Illinois Women's Auxiliary of Progressive Miners of America, Marissa, Ill., urging limitations of individual annual incomes to \$50,000 and urging a redistribution of the Nation's wealth through work with adequate wages; to the Committee on Ways and Means.

3355. Also, petition of the Illinois Women's Auxiliary of Progressive Miners of America, Marissa, Ill., urging Congress to pass an old-age pension measure during the present session; to the Committee on Ways and Means.

3356. Also, petition of the Illinois Women's Auxiliary of Progressive Miners of America, Marissa, Ill., urging Congress to accept the Lundeen measure on social unemployment insurance (H. R. 2827); to the Committee on Labor.

3357. Also, petition of General Assembly, State of Illinois, urging the United States Government to take action to curb the use of a certain, vicious, habit-forming narcotic, commonly known as "marijuana", which has become alarmingly prevalent among a large proportion of the adolescents of that State; to the Committee on the Judiciary.

3358. By Mr. TRUAX: Petition of H. T. Blosser and other citizens of Fostoria, Ohio, requesting the passage of the Patman bonus bill (H. R. 1); to the Committee on Ways and Means.

3359. Also, petition of the National Restaurant Association, Chicago, Ill., by their president, Charles A. Laube, condemning Government restaurants and urging its members throughout the Nation to stand in opposition to any Government official who defends this form of competition, because the operation of restaurants and cafeterias on a rent-free and tax-free basis in Government buildings has been a serious source of unfair competition to legitimate restaurants, and the Federal Government has received recommendations for an abatement of this practice from a congressional investigating committee headed by Congressman JOSEPH B. SHANNON, but has continued this business; to the Committee on Labor.

3360. Also, petition of Lucas County Unemployed League, of Toledo, Ohio, by their president, Paul Kolinski, urging that Congress adopt the amendment of the prevailing wage scale on all work-relief projects in the public-works bill; to the Committee on Labor.

3361. Also, petition of United Automobile Workers, Local 18463, Cleveland, Ohio, by their secretary, R. E. Reisinger, endorsing the Lundeen bill (H. R. 2827); to the Committee on Labor.

3362. Also, petition of board of control of the Summit County Democratic Executive Committee, Akron, Ohio, by their secretary, Forrest D. Myers, demanding of all our elected and appointed officials in National, State, county, and city administrations of which they have control an immediate dismissal of all Republicans wherever possible and to replace them with worthy Democrats, because it has been customary for elected Democrats to give jobs to members of the Republican Party; to the Committee on Patronage.

3363. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to reduce the excise tax on intoxicating liquors and beer and other fermented malt beverages; to the Committee on Ways and Means.

3364. Also, memorial of the Legislature of the State of Wisconsin, relating to a code of fair dealing and to the establishing of the cost of production to farmers and a reasonable profit on their investment; to the Committee on Agriculture.

3365. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to enact legislation providing for Federal aid to high schools; to the Committee on Education.

3366. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to enact the pending Frazier-Lemke finance mortgage bill; to the Committee on Banking and Currency.

3367. By Mr. WOLCOTT: Petition of H. A. Ramsey, of St. Clair, Mich., and 120 other members and supporters of the Farmers Unions in St. Clair County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

3368. By the SPEAKER: Petition of the City Council of the City of Omaha, Nebr.; to the Committee on the Judiciary.

3369. Also, petition of the city of Long Beach, Calif.; to the Committee on Ways and Means.

3370. Also, petition of the Common Council of the City of Rochester, Minn.; to the Committee on the Judiciary.

3371. Also, petition of the city of Minneapolis, Minn.; to the Committee on the Judiciary.

3372. Also, petition of the Miami Lions Club; to the Committee on Ways and Means.

3373. Also, petition of the Chamber of Commerce of Greenlee County, Ariz.; to the Committee on Ways and Means.

3374. Also, petition of the Common Council of the City of Trinidad, Colo.; to the Committee on the Judiciary.

3375. Also, petition of the city of Perth Amboy, N. J.; to the Committee on the Judiciary.

3376. Also, petition of the Ecorse Village Council, Michigan; to the Committee on the Judiciary.

3377. Also, petition of the Common Council of Nutley, N. J.; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

SATURDAY, MARCH 9, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou dost call us unto Thee; in Thy tabernacle is the mercy seat; here we tarry. We are not exempt from the great lot of mankind. We cannot read life's mysteries; do Thou grant that it may be good for us to hold that suffering, the tragedy, and the loss of human life, and the blight of hope are all working out the highest and holiest good. Strong Son of God, we thank Thee that in the defiles of doubt and in the valley of despondency, there is an unwavering light that forever beats against the throne of the Lamb and His glory. Let it fall and send us dreams that shame realities. O Master, let it shine on street, mart, and alley and upon all those who are cast out of human sympathy. We bear to Thee a prayer for good health, happiness, and heavenly joy to bless our homes. Regard our Speaker and all Members in divine favor. Bless all schools and all churches and let their influences be augmented a thousandfold. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Thorne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5913. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes.

SUPREME COURT JUSTICES RETIREMENT BILL

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for a few minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, an interpretation which seems to have been placed upon statements made during the debate on the Supreme Court Justices retirement bill puts the members of the Supreme Court in a false attitude I think before the country. I rise to place a clarifying statement of facts in the RECORD which I think every Member of the House will approve.

Mr. BLANTON. Mr. Speaker, if the gentleman will permit, the press improperly reported my colleague as stating that he had conferred with a member of the Supreme Court and that that member had suggested this bill. I think that placed my colleague in a false attitude. He did not make that statement and I do not think he intended to make it. Is not that correct?

Mr. SUMNERS of Texas. That is correct. As to the responsibility for originating the bill, I originated it. Mine is the entire responsibility. I sought to work out an arrangement under which Justices of the Supreme Court who reach the retirement age and length of service which we have provided by law for district and circuit court judges, may also retire instead of resigning, thus leaving themselves subject to assignment to lighter duties instead of doing nothing, just as district judges and circuit judges who have retired are now eligible to assignment to lighter duties.

Before introducing the bill, I discussed its workability with one of the Justices of the Supreme Court, because he was in a position to know, just as I would have discussed, with someone in a position to know, any bill, before introducing it, affecting the machinery of any other branch or department of the Government. I was not solicited to introduce this bill